ITEM NUMBER: 10.1

CONFIDENTIAL REPORT

GLENELG FOOTBALL CLUB LOAN

Pursuant to Section 87(10) of the Local Government Act 1999 the Report attached to this agenda and the accompanying documentation is delivered to the Audit and Risk Committee upon the basis that the Audit and Risk Committee considers the Report and the documents in confidence under Part 3 of the Act, specifically on the basis that the Audit and Risk Committee will receive, discuss or consider:

d. **commercial information of a confidential nature (not being a trade secret) the disclosure of which –**

- **i.** **could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and**

- **ii.** **would, on balance, be contrary to the public interest.**

Recommendation – Exclusion of the Public – Section 90(3)(d) Order

1. **That pursuant to Section 90(2) of the *Local Government Act 1999* the Audit and Risk Committee hereby orders that the public be excluded from attendance at this meeting with the exception of the Chief Executive Officer and Staff in attendance at the meeting in order to consider Report No: 109/24 Glenelg Football Club Loan in confidence.**

2. **That in accordance with Section 90(3) of the *Local Government Act 1999* the Audit and Risk Committee is satisfied that it is necessary that the public be excluded to consider the information contained in Report No: 109/24 Glenelg Football Club Loan on the following grounds:**

d. **pursuant to section 90(3)(d) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party.**

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.

3. **The Audit and Risk Committee is satisfied, the principle that the meeting be conducted in a place open to the public, has been outweighed by the need to keep the information or discussion confidential.**

Item No: 10.1

Subject: **GLENELG FOOTBALL CLUB LOAN**

Summary

The Glenelg Football Club Working Group has continued to meet with an aim to resolving the outstanding debt of $1,029,922 owed by the Club to Council. This included receiving an investigative report on the Club's current and future financial position which highlights that, though sustainable, its capacity is limited.

As part of the negotiations, Glenelg Football Club has written to Council with a proposal to pay 50% of the debt by 30 June 2024 and a request for debt forgiveness on the remaining 50%. This amount would then be used by the Club to invest in identified projects that aim to raise additional revenue and develop football across the community.

Due to an existing provision within Council's financial statements for an impairment on the loan, a 50% forgiveness of the outstanding debt would have no impact on its operating result or its Long Term Financial Plan. The $514,961 cash receipt, when received, would be used to reduce Council's borrowing requirements in 2023-24.

Recommendation

That Audit and Risk Committee advises Council that:

1. **it has received and considered the request from Glenelg Football Club for debt forgiveness on 50% of its outstanding debt with Council; and**

2. **it recommends that Council should consider the debt forgiveness proposal from Glenelg Football Club.**

RETAIN IN CONFIDENCE - Section 91(7) Order

3. **That having considered Agenda Item 10.1 109/24 Glenelg Football Club Loan in confidence under section 90(2) and (3)(d) of the *Local Government Act 1999*, the Audit and Risk Committee, pursuant to section 91(7) of that Act orders that the report, attachments and minutes be retained in confidence for a period of six months and the Chief Executive Officer is authorised to release the documents when Audited Financial Statements are presented to Council.**

Background

In 2023 Council established a working group, consisting of members of both Glenelg Football Club and City of Holdfast Bay, to ensure the Club's long-term sustainability. Part of the role of this group was to establish the financial capacity of the Club to make repayments of its loan once the final South Australian National Football League (SANFL) disbursement was received in October 2023. The outstanding balance of the loan owed to Council is currently $1,029,922.

Report

Background - Glenelg Football Club Loan and Financial Support

In 2001 Council entered into a loan agreement with the Glenelg Football Club under which the Club borrowed $2.5 million from Council to fund its building redevelopment with the construction of a function centre. Council funded the loan by borrowing from the Local Government Finance Authority (LGFA) and on-lending to the Club on identical terms.

The Club had met its principal and interest payments up to October 2012 at which point the Club approached Council to restructure its loans including a two-year interest-only term, to which Council agreed. Following a few years of financial difficulty consultants BRI Ferrier were engaged in 2016 to undertake a review of the Club's financial position. It was noted that the recovery of the loan was dependent upon the continuation of Glenelg Football Club as a going concern. Their recommendation at that time was for Council to maintain their support of the Club and for both parties to agree a strategy to achieve debt reduction.

To this end Council agreed to an arrangement whereby they would receive a share of a SANFL dividend due to the Club. This dividend, received in installments over seven years, has resulted in a principal reduction to the outstanding loan amount of $1,274,666.

On several occasions Council has subsequently re-affirmed its commitment to support the Club in its objective of long-term sustainability and agreed to a number of concessions and arrangements. These have included the interest only loan repayments from December 2012 and further concessions from 2016-17 as follows:

- Reduction in annual lease from $72,000 to $40,000 (including GST) up to 30 April 2024 (C121316/622, C221019/1658, C141221/2502, C260923/7567 and C130224/7671).

- Write off past interest owed and future interest up to 31 October 2019 on loans advanced to the Club (C230517/787).

- Not charge interest on existing borrowings from October 2019 to February 2024 (C221019/1658, C141221/2502, C260923/7567 and C120224/7671).

- Review the ability of the Club to pay remainder of loan outstanding after the final SANFL dividend instalment (C230517/787, C221019/1658 and C130224/7671).

The write-off of outstanding interest resulted in a direct saving of $188,685 to the Club in 2016-17. The freezing of interest repayments and other concessions has also directly contributed to the Club's financial stability.

Loan Impairment Provision

Due to the financial difficulties of the Club, a provision for the impairment of the loan was first made in Council's 2015-16 General Purpose Financial Statements in accordance with AASB 139 – Financial Instruments: Recognition and Measurement. This Standard covers the topic of impairment of financial assets, including loan receivables, and sets out the methodology for determining when and how an impairment should be accounted for. Annually this provision is reviewed and endorsed by the Audit and Risk Committee, which in the 2022-23 financial statements provided a provision for impairment of $517,780.

It should be noted that an impairment means the carrying amount of the asset is more than the amount that is expected to be recovered. Providing for impairment does not mean a write-off or debt waiver has occurred as it is a provision only. However, it does mean that the expense for that provision was accounted for in previous financial years.

Glenelg Football Club Current Financial Position

As stated, in 2023 Council established a Working Group, consisting of members of both Glenelg Football Club and City of Holdfast Bay, to ensure the Club's long-term sustainability and to determine the financial capacity of the Club to make future repayments of its loan.

To this end in August 2023 BRI Ferrier were once again engaged to conduct a review of the Club's financial position and advise on the options available to Council regarding the realisation of outstanding debt.

Refer Attachment 1

BRI Ferrier determined the Club's financial position and future projections were reasonable and achievable. While overall accounting losses are forecast over the next five years when non-cash items such as depreciation are deducted, the Club is projecting a consolidated cash operating surplus of $1.34 million over the same period.

However, the Club maintains that to retain, or increase, patronage at games and the venue, the oval precinct's facilities need to be upgraded and improved. These costs, and other proposed capital expenses, are budgeted to fully exhaust the projected surplus cash funds, leaving no funds to reduce Glenelg Football Club's debt to Council.

Specifically confronting the issue of debt repayment and the outstanding loan amount of $1,029,922, BRI Ferrier provided some options for Council to consider:

- Accept the Club's projections and defer any debt repayments.
- Negotiate a reduction of the Club's debt to Council over the next five years from their projected net cash surplus (before capital expenditure). This should be coupled with an insistence on security over the assets of the venue.
- Payout the ANZ ($227,667) and seek assignment of ANZ's security over the venue or put in place its own security.
- Cease support and issue debt recovery proceedings.

Their recommendation is that Council seek to agree a debt reduction arrangement acceptable to both Council and Glenelg Football Club, with security being provided to Council over the assets of the venue.

In summarising their findings and conclusions, the following list of recommendations was provided in the Executive Summary of the report:

- security to be taken over the Gaming Machine Entitlements as a minimum;
- security to be taken over the venue;
- an amount agreed as to the level of debt repayment required over five years; and
- any level of support or partial debt forgiveness agreed.

Debt forgiveness proposal

Over the last year, the Glenelg Football Club Working Group has continued to meet to discuss the Club's ability to pay the remainder of the outstanding loan. This included a presentation from BRI Ferrier of their findings and conclusions. Following those discussions a formal letter was received from Glenelg Football Club with a proposal on how to resolve the issue while ensuring the Club remains financially viable.

Refer Attachment 2

In summary the Club has requested that Council consider the following:

- A request for 50% forgiveness on the current $1.029 million debt facility with the City of Holdfast Bay.
- The remaining 50% debt ($514,500) be payable upfront as a final payment to extinguish all outstanding debts with Council.
- The Glenelg Football Club aim to get this paid by 30 June 2024.

As part of this request it was acknowledged that without Council’s assistance in recent years the Club would not be in the position it is today, both on and off-field. Detail was also provided on how the forgiveness of 50% of the debt would be utilised to invest in their future. A number of potential opportunities were identified, including:

- an alfresco roof to expand dining options and increase revenue;
- second oval investment to support a training venue for women and junior football; and
- significant investment and commitment to improving women’s football.

Financial impact of debt forgiveness

In 2017, before the first SANFL dividend instalment, the outstanding loan amount was $2.31 million and Glenelg Football Club was in financial difficulty. Seven years later that amount has been reduced to $1.03 million, and due to Council’s support the Club is now in a better position financially. Furthermore, due to the loan impairment provision of $517,780, which has already been accounted for, the carrying amount of the loan on Council’s financial statements is now only $512,142.

The proposed 50% payment from Glenelg Football Club equates to $514,961 which is $2,819 higher than the current loan carrying value. In practice this would mean if Council agreed to the Club's proposal then the provision would be realised and there would be no effect on Council's operating result, or financial statements.

With the uncertainty around the settlement of this loan, following the SANFL distribution, no repayments have been budgeted or accounted for in the Long Term Financial Plan. The result is that any debt forgiveness would have no impact on the 2023-24 budget or that of future years. However, Council would receive an additional $514,961 to its cashflow than anticipated. This additional amount if received before 30 June 2024 would be used to reduce Council's borrowing requirement.

Recommendation

Whether the partial forgiveness of debt for one sporting club is equitable for other clubs in the community is open to argument. One point of view would be that other community organisations have undertaken loan arrangements with Council and successfully repaid the full amount. Conversely, other sporting clubs within the area have been provided with new multi-million facilities at no cost. In short, each case should be judged on its own merits.

Having considered the financial investigation report by BRI Ferrier and the Club's request for debt forgiveness, the Glenelg Football Club Working Group recommends that their proposal by considered by Council for approval. Several benefits of accepting this proposal have been identified:

- End an issue that has been unresolved for nearly 12 years.
- Allow Glenelg Football Club to invest in capital projects and programs that will help secure its future.
- Allow the Club to concentrate on their core business of being a sporting club for the local community.
- Due to the existing provision made for an impairment of the loan, the debt forgiveness would not impact Council's operating result or its Long Term Financial Plan.
- This process would conclude the financial assistance that Council has extended to the Club over the last decade.
- When concluded, the assistance provided to help keep the Club in existence would have resulted in Council receiving a total of $1.8 million of the $2.3 million debt owed when the Club first experienced difficulties.
- No security will be needed for the outstanding amount post 30 June 2024, resulting in no additional costs associated with establishing the security.

If the Club's proposal is accepted and approved, then the debt forgiveness would only occur once the 50% payment is received by Council. To enable this to proceed Council will also be asked to extend its current financial assistance measures from 30 April to 30 June 2024.

Budget

No impact on Council's budget.

Life Cycle Costs

Not applicable

Strategic Plan

Wellbeing – Supporting local community organisations that encourage engagement with demographics.

Council Policy

Not applicable

Statutory Provisions

Local Government Act 1999, Section 143

Written By: Manager Finance

Chief Executive Officer: Mr R Bria

Attachment 1

CITY OF
HOLDFAST BAY

INVESTIGATING ACCOUNTANT'S REPORT

Glenelg Football Club Inc and Glenelg Footballers' Club Inc ("GFC")

15 January 2024

Andre Strazdins, CA
Principal

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Adelaide SA 5000

TABLE OF CONTENTS

TABLE OF ANNEXURES

GLOSSARY OF COMMON ACRONYMS & ABBREVIATIONS

GFC	Glenelg Football Club Inc and Glenelg Footballers' Club Inc
Club	Glenelg Football Club Inc
Venue	Glenelg Footballers' Club Inc
Council	City of Holdfast Bay
ANZ	ANZ Banking Group Limited
BRIF	BRI Ferrier SA
SANFL	South Australian National Football League
GMEs	Gaming Machine Entitlements
GCV	Going concern value
ARV	Auction realisation value
ATO	Australian Taxation Office
CBS	Consumer & Business Services
PPSR	Personal Property Security Register

1 EXECUTIVE SUMMARY

Overview Summary

- GFC's current cash flow projections provide for no repayment of the Council facility.
- GFC's cash flow projections appear conservative and achievable.
- GFC's assumptions and projections are reasonable and acceptable with the usual economic and commercial risk factors. Mainly the current economic environment may impact on discretionary spending.
- GFC audited financials appear fair and reasonable. The review revealed no obvious or material omissions.
- GFC has the ability to reduce the debt to Council over 5 years from cash flow by limiting capital expenditure, although this may impact Venue's projected profitability.
- GFC has the ability to repay the Council in full from assets but that would effectively result in GFC not existing unless financial support was obtained elsewhere, possibly from the SANFL.
- GFC not granting security over Venue or GMEs is a major risk in undermining the assets available if secured to another party for obtaining finance.

Opinion

- GFC's proposal is commercially unacceptable.
- GFC needs to provide for repayment of the Council facility.
- The level of repayment is dependent on the Council's strategy regarding the level of support balanced with the desired recovery.
- The Council needs to take into consideration the community impact of the strategy.
- The Council is in a relatively strong negotiation position due to its ability to enforce repayment and recover the debt in full from assets.
- The Council could use this position to have GFC negotiate and bring the SANFL to the table for support should GFC's future existence be in question.

Recommendations

- Security to be taken over the GMEs as a minimum.
- Security to be taken over Venue.
- An amount agreed as to the level of debt repayment required over 5 years.
- Any level of support or partial debt forgiveness agreed.

1.1 ESTIMATED FINANCIAL POSITION

- As at 31 October 2023, Council was owed $1,029,923 by Club in respect of its loans to Club. The payment of that liability has been guaranteed by Venue.
- Council holds security over the assets of Club in respect of the loan but has no security over the assets of Venue.
- The debt to Council has reduced over recent years from SANFL Land Divestment instalments received by Club. Those instalments have now ceased.
- Club is anticipating that it will be trading at significant losses over the next five years.
- Venue is anticipating profits over the next 5 years; however, those funds are required by Club to support its operating losses.
- On a consolidated basis, GFC expects a cash surplus of $1.34 million over the next 5 years. It wishes to use those funds in capital expenditure for the benefit of GFC, its members and patrons, with no planned reduction in the debt to Council.

- We understand that, in addition to the capital expenditure which GFC wishes to undertake from its own anticipated funds, GFC wishes Council to contribute significant further funds to improve the oval facilities.
- Unless agreement can be reached between GFC and Council on a debt repayment strategy, Council may need to consider formal debt recovery proceedings.
- From Council's perspective, the decision whether to issue legal proceedings will likely include consideration of the socio-economic benefits of the existence of GFC in its municipality. We make no submissions in that regard.
- In the event that Council did take action to place Club and/or Venue into external administration, we estimate the return to Council on a GCV and ARV basis from Club and Venue as follows:

	GCV $ '000	ARV $ '000
Estimated funds available to Council from Club	741	637
Estimated funds available to Council from Venue	529	468
Total funds available to Council	1,270	1,105
Less GFC Debt to Council	1,030	1,030
Residual debt to Council	**Nil**	**Nil**

- On our estimates, in a formal appointment/enforcement process, the physical assets of GFC are presently likely to be able to meet the debt to Council in full.

1.2 CREDITORS

- A review of ATO ledger printouts for Club and Venue dated 4 September 2023 indicate that their liability to the ATO is current, with only the liability for the activity statements to 31 August 2023 outstanding.

- The aged payables ledgers for both Club and Venue indicate that virtually all trade creditor debts are within 30 days.

- We are advised that no statutory demands or legal notices have been received in relation to Club or Venue creditors and that there are no payment arrangements in place with any creditor.

- Wages and superannuation appear to be up to date.

- Council is by far the largest creditor of GFC. The next largest creditor is ANZ, which is owed $227,667.

- Council hold security over the assets of Club and hold a guarantee from Venue but have no security over the assets of Venue.

- Council's debt as at 31 October 2023 totals $1.03 million and is recorded as a liability in Venue's balance sheet, despite the loan and security documentation being with Club. We note that this is consistent with the loan's treatment in the historical audited accounts of both Club and Venue. We are not aware of the reason for same.

- We recommend that Council obtain legal advice on its security position and subject to same, consider taking security over Venue.

1.3 DEBT RESTRUCTURE OPTIONS

- The previous debt to Council, ATO and ANZ have significantly reduced over the past few years from Land Divestment instalments received by GFC from the SANFL's Land Divestment Instalments.

- Those instalments have ceased and the repayment of GFC's debt to Council now needs to be funded from moneys internally raised by GFC.

- Council's options would appear to be as follows:

  1. Accept GFC's projections and defer any debt repayments.

  2. Negotiate a reduction of GFC's debt to Council over the next 5 years from GFC's projected net cash surplus (before capital expenditure). This should be coupled with an insistence on security over the assets of Venue.

  3. Payout the ANZ ($227,667) and seek assignment of ANZ's security over Venue or put in place its own security.

  4. Cease support and issue debt recovery proceedings.

- We recommend that Council seek to agree a debt reduction arrangement acceptable to both Council and GFC, with security being provided to Council over the assets of Venue.

- BRIF are able to provide further assistance to Council's Working Party in this regard, if required.

1.4 FINANCIAL PROJECTIONS

- The key income streams of Club's financial model are SANFL grant income and sponsorship, while Venue's key income streams are kitchen/bar/gaming income.

- We summarise below:

  - the forecast combined net profit/(loss) (after deduction of depreciation); and
  - the forecast combined net profit/(loss) (after adding back depreciation

  for Club and Venue for 2023 to 2028.

DESCRIPTION	UNAUDITED ACTUAL 2023 $ '000	FORECAST 2024 $ '000	FORECAST 2025 $ '000	FORECAST 2026 $ '000	FORECAST 2027 $ '000	FORECAST 2028 $ '000
Net profit/(loss) (after depreciation)	53	(37)	(121)	43	19	(11)
Addback Depreciation	298	242	287	299	307	313
Net profit/(loss) (before depreciation)	351	205	166	342	326	302

- While there are overall accounting losses over the next 5 years due to the deduction of depreciation as an expense, depreciation does not involve a cash payment.

- After adding back depreciation, GFC projects a consolidated cash operating surplus of $1.34 million for the next 5 years.

- GFC maintains that to retain/increase patronage at games and Venue, the oval precinct's facilities need to be upgraded and improved - specifically the construction of an alfresco area at a cost of $200,000 and the replacement of gaming machines at a cost of $800,000. These costs, and other proposed capital expenses, are budgeted to fully exhaust the projected surplus cash funds, leaving no funds to reduce GFC's debt to Council.

- The achievability of the forecast is highly dependent upon the profitability of Venue and in particular Net Gaming Revenue.

1.5 OTHER MATTERS

- The lease of the ground/precinct between Council and GFC, which has now expired, provided that $15,000 per year (CPI adjusted) was to be paid by GFC to a rent maintenance fund. We understand that GFC has not complied with this requirement but are not aware whether this variation was agreed to by Council. Excluding the inflation factor, had GFC contributed to the rent maintenance fund as required, an amount of $315,000 would have been deposited. This would have made significant inroads to the capital expenditure which GFC now wishes to fund from future earnings.

- We would recommend that, if already not provided, Council require the quarterly accounts be provided to it.

1.6 SUMMARY

- We recommend that Council maintain their support of GFC but seek to negotiate a satisfactory debt repayment arrangement, which includes Council taking security over the assets of Venue.

- In the event that GFC is not prepared to enter into a debt repayment arrangement, consideration should be given to initiating debt collection proceedings.

2 SCOPE OF ENGAGEMENT

2.1 INSTRUCTIONS

- This report has been prepared by BRIF in accordance with the terms of the letter of engagement dated 3 August 2023. A copy of the letter of engagement is attached as ***Annexure 1***.

2.2 INFORMATION REVIEWED AND WORK UNDERTAKEN

- We have held discussions with the Council and Management and have received much documentation from GFC, including (but not limited to) the following information:
    - Letter from Mr Justin Scripps dated 14 November 2023, including a schedule of "Key Expense/Capital Items" and a report from the SANFL on "Socio-Economic Contribution of SANFL Clubs" ***(Annexure 2)***
    - 5 Year Budget Reports including key points and summaries, including profit and loss statements, balance sheets and cash flow statements for the Club and Venue for the period 1 November 2022 to 31 October 2023 (actual) and 1 November 2023 to 31 October 2028 (projected) ***(Annexure 3)***
    - 2022 GFC Strategic Plan Implementation as at October 2022
    - 2022 GFC Strategic Plan
    - Audited financial statements for the year ended 31 October 2022 for:
        - Club and its controlled entities ***(Annexure 4)***; and
        - Club (stand-alone) ***(Annexure 5)***;
    - ATO statements for Club and Venue as at 4 September 2023
    - Unaudited Consolidated Financial Results for the years ended 31 October 2016 to 2022 ***(Annexures 6 & 7)***
    - Depreciation schedules for Club and Venue at 31 October 2023 ***(Annexures 10 & 11)***
    - Accounts receivable and accounts payable ledgers for Club and Venue as at 31 October 2023
    - Copies of finance leases in respect of gaming machines
    - Copies of ANZ bank statements at 31 October 2023
    - Copy of ANZ's letter of offer dated 30 November 2023

- We acknowledge the assistance and timeliness of Messrs Justin Scripps and Dion Moroney, and GFC staff in providing information sought by us.

- We have undertaken PPSR searches for Glenelg Football Club Inc and Glenelg Footballers' Club Inc.

- We have downloaded information from the CBS website relating to Gaming Machine Entitlement Trading Rounds.

- Mr Dion Moroney has informed us that the current projections and principal assumptions are contained in the executive summary from Mr Justin Scripps ***(Annexure 2)*** and the 5 Year Budget Reports ***(Annexure 3)***. Accordingly, we have focussed our review on those documents and referenced back to other documents to assess the reasonableness of GFC's projections.

2.3 SCOPE OF WORK UNDERTAKEN

- Our investigations and work have been limited to the scope as set out in our engagement letter of 3 August 2023.

- We have not conducted an audit, nor have we verified the information provided to us and so make no comment as to the accuracy or reliability of the information presented. We have relied upon assurances from Management as to the accuracy of the information provided.

- It should be noted that as the achievement of forecast future operations is dependent upon future events, the actual results achieved may vary materially from the projections included in this report. In addition, please note that we have not audited the integrity of the financial model.

- Please also note that we are not valuers and accordingly any assumptions made by us as to estimated realisable value of assets are for analysis purposes only and cannot be relied upon.

2.4 LIMITATION ON THE USE OF THIS REPORT

- This report is provided to Council on the understanding that is for the sole use of Council. No other entity or person may rely on it for any purpose whatsoever.

- Our report is confidential and must not be distributed to any third parties without our prior express written consent.

- Neither BRIF nor any member or employee or related or associated entity of the firm undertakes responsibility in any way whatsoever, including by way of any errors arising through negligence or otherwise however caused to any persons other than Council.

3 PROFITABILITY & CASH FLOW

At pages 11 to 29 of the 5 Year Budget Reports ***(Annexure 3)*** are Club's and Venue's unaudited profit and loss statements, balance sheets and cash flow statements for the period 1 November 2022 to 31 October 2023 (actual) and 1 November 2023 to 31 October 2028 (projected) as provided to us.

Those statements are quite detailed, with many "line items". We have summarised those statements, with the summarised profit and loss statements at ***Annexure 6*** and summarised balance sheets at ***Annexure 7***.

For the profit and loss statements, we have inserted columns to identify the percentage change in the various categories of income/expense from year to year.

We make the following comments:

3.1 PROFITABILITY

Club is predicting pre-depreciation losses between $293,861 and $426,880 each year from 1 November 2023 to 31 October 2028, totalling $1,685,563 over the 5-year period. Club's post-depreciation losses for those years are estimated between $323,450 and $463,875, totalling $1,829,226.

Venue is expecting pre-depreciation profits between $507,939 and $645,131 each year from 1 November 2023 to 31 October 2028, totalling $3,026,201 during that period. Venue's post-depreciation profits for those years are estimated between $285,961 and $369,909, totalling $1,721,922.

On a combined basis, over the 5-year projection period, GFC is anticipating a pre-depreciation profit of $1,340,638 but a post-depreciation loss of $107,304.

We summarise below:

- the forecast combined net profit/(loss) (after deduction of depreciation); and
- the forecast combined net profit/(loss) (after adding back depreciation

for Club and Venue for 2023 to 2028.

DESCRIPTION	UNAUDITED ACTUAL 2023 $ '000	FORECAST 2024 $ '000	FORECAST 2025 $ '000	FORECAST 2026 $ '000	FORECAST 2027 $ '000	FORECAST 2028 $ '000
Net profit/(loss) (after depreciation)	53	(37)	(121)	43	19	(11)
Addback Depreciation	298	242	287	299	307	313
Net profit/(loss) (before depreciation)	351	205	166	342	326	302

We have compared these estimates with summary consolidated profit and loss statements for GFC for the years ended 31 October 2016 to 2022. This summary is attached as ***Annexure 8***.

The reported results for 2021 and 2022 (per Annexure 8) have been reconciled and agree with the audited financial statements for GFC for those years.

The assumptions supporting GFC's projected income and expenses for the 2024 year are contained within ***Annexure 3*** titled "2024 Budget: Preliminary overview".

In brief, the changes from the 2023 actual to 2024 projected figures may be summarised as follows:

- 6% increase in Venue revenue, mainly driven by a 12% to 15% increase in beverage and food prices, increased functions and general increase in net gaming revenue based on current turnover trends;
- 4% increase in Venue expenses;
- 16% drop in Club income, mainly as a result of a decreased SANFL contribution (down by $300k from the Land Divestment instalments) and decreases in funds from Merchandise sales and fundraising. Merchandising sales were high in 2023 due to the Club's participation in the grand final, which obviously cannot be realistically expected to occur in each year; and

- 3% fall in Club expenses.

The changes in most "line items" from 2025 to 2028 generally show increases ranging from 3% to 4% on 2024 figures, although there are a number of exceptions.

From a percentage point of view, the most significant exceptions of these are a substantial increase in Venue income from anticipated additional functions from the proposed alfresco area. GFC have estimated that once the alfresco area is completed, Venue will attract an additional four functions per month, leading to additional net profits of $90,000 per annum. It is difficult to assess what additional revenue will be generated from the alfresco area, however, we are informed by GFC that a venue manager has undertaken this projection.

Gaming revenue is also expected to increase significantly from the 2025 year onwards, when Venue expects that new gaming machines which it wishes to purchase are fully online for the entire accounting period.

The supporting calculations for these gaming projections are contained and set out on page 5 of the GFC 5 Year budgets ***(Annexure 3)*** and are premised on new machines being acquired at a cost of $800,000 over 5 years.

We are informed that these projections were undertaken by Mr Rob Mullarvey, who trades as Independent Gaming Analysis Pty Ltd.

The projected income and expenses look reasonable, albeit in our opinion are slightly conservative, especially in the 2024 year.

However, as noted above, as the achievement of forecast future operations is dependent upon future events, the actual results achieved may vary materially from the projections included in this report.

In our view, we consider the biggest threat to GFC achieving its projected income is the current cost-of-living crisis, which may affect the public's discretionary spend in attending games and/or the Venue.

3.2 CASH FLOW

After excluding extraordinary items (such as the Land Divestment instalments from the SANFL and Covid-19 stimulus payments) and adding back depreciation, the average net cash surplus for GFC for the 2016 to 2022 years was $245,750 per annum. For 2023, the net cash position was $351,340.

From the projected profit and loss statements for 2024 to 2028, GFC is predicting a cash flow surplus of $1.34 million over the 5 years – that is, an average net cash surplus of $268,000 per year.

From 2016 to 2022, the net cash surplus was utilised in core debt repayment, finance lease capital payments and in capital purchases. For 2024 to 2028, GFC proposes to mainly utilise its projected net cash surplus for capital expenditure, with little or no reduction in core debt.

As noted above, on a combined basis, over the 5-year projection period, GFC is anticipating a pre-depreciation profit of $1,340,638. Effectively, this represents "surplus cash", available for:

- reduction of liabilities; and/or
- new capital expenditure.

GFC have provided a budget for Repairs & Maintenance and Capital expenditure of $1.52 million. There is no allowance for a reduction in the debt to Council.

The additional Repairs & Maintenance and Capital expenditure of $1.52 million may be summarised as follows:

Kitchen Equipment/Small Replacement items	$ 20,000	*see Note 1*
Bistro Chairs	$ 25,000	*see Note 2*
Air-conditioning	$ 30,000	*see Note 3*
Lift	$ 20,000	*see Note 4*
General Plant & equipment	$ 165,000	
Alfresco	$ 200,000	*see Note 5*
Kitchen Equipment replacement	$ 110,000	*see Note 1*
Oval lighting	$ 50,000	*see Note 6*
Second Oval Contribution	$ 100,000	*see Note 7*
Replacement of gaming machines	$ 800,000	
Total	**$1,520,000**	

In support of the need for this expenditure, GFC has stated as follows:

Note 1: Kitchen Equipment - Additional repairs & maintenance ($20,000 + $110,000)
Additional Repairs & Maintenance (R & M) budget above current GFC budget to fix issues with equipment not quite at end of life. ($20,000). A lot of equipment will reach end of life including but not limited to deep fryers, ovens, cool room, fridges, freezers, microwaves ($110,000)

Note 2: Bistro Chairs – replacement program ($25,000)
Chairs are getting torn and ripped and getting towards end of life. Berwick bistro chairs approx. $190 each x 140 required = $26,600. Budget to replace 25 per year = $5,000

Note 3: Air conditioning system - additional repairs & maintenance ($30,000)
Current R & M budget is increasing due to the age of the system. Our maintenance contractor has advised that maintenance costs will increase as parts will become more difficult to find, until the Council installs a new system. GFC are responsible to maintain the system and, as such, will need an increased budget until COHB install a new system.

Note 4: Lift - Additional repairs & maintenance ($20,000)
Current R & M budget is increasing due to the age of the lift. GFC are responsible to maintain the lift and, as such, will need an increased budget until COHB install a new lift.

Note 5: Alfresco roof ($200,000)
There are two key fundamental reasons why the Club needs to invest in a sheltered area above the bistro 'oval facing' alfresco area:

1. There is no shelter outside of the bistro area where parents can enjoy our bistro hospitality whilst watching their children play football in inclement weather in winter.

2. The Club needs to fully utilise this area for small functions like wakes, birthday gatherings etc. and expand our bistro food service area.

A Business Case has been developed in order to maximise patronage at the venue and generate additional revenue to sustain the Clubs profitability. Estimated at $200,000, this investment does conflict with the view of not investing in an asset that GFC does not own (i.e.: the previous Function Centre issue), however is a necessity.

Note 6: Oval Lights - Additional repairs & maintenance ($50,000)
The current oval lighting infrastructure is near end-of-life, with old technology that is also not great for the environment. Additional R & M budget above current GFC budget to fix end of life fuses, globes, crane hire etc.

Note 7: Second Oval investment ($100,000)
The Club currently does not have enough oval space to accommodate the growth in our women's and junior programs. There is an expectation from SANFL that GFC co-contribute $100,000 to unlock up to $1 - $2M worth of facility upgrades in order to primarily support a training venue for our growing women's program and juniors.

GFC did not provide any particulars on the expected $165,000 expense over 5 years for general plant & equipment.

Regarding the proposed $800,000 expense for gaming machines, it has provided an estimate, indicating that the investment will generate an additional net gaming profit of $1.147 million over the 5 years.

There is no doubt that, over time, plant, equipment and infrastructure reaches end-of-life and must be replaced, however, it is a question as to how that replacement is funded.

In his Executive Summary, Mr Justin Scripps states that the purpose of Club is:

"To win premierships, drive exceptional standards and positively connect with our community."

Obviously, while on-field success is a major goal of each sporting organisation, it must be able to do so in a sustainable manner.

Mr Scripps also states in his Executive Summary under the title "Key Strategic Drivers":

" … these drivers were at the forefront of our thinking:

Financial sustainability & certainty:

- An ability to minimise wasteful expenditure items (power, old, inefficient infrastructure etc.).
- An ability to diversify revenue streams to minimise financial instability (i.e.: gaming, football).
- increase our ability to generate certainty with our business and strategic planning.

Invest (oval precinct & improve football programs):

- An increased ability to invest financial resources into improving the precinct.
- An increased ability to invest into our male and female football programs.
- Increase resources into our football pathway programs to create a Centre of Excellence for our community.

Community / Oval Patrons:
− SANFL football is the best tribal, State League football competition in Australia.
− Glenelg FC is one of the most reputable brands in Australian football.
− We strive to live our values: Respect, Unity, Resilience & Conviction.
− We want to provide our community with a football team they can be proud of, one that reflects the character of our community.
− We want our children to aspire to live fulfilling lives and facilitate healthy lifestyle choices and connections.
− We need an oval precinct for which patrons can enjoy sport, free from adverse weather conditions (i.e. extreme heat, wet weather etc).
− Increase our ability to capitalise on sports tourism opportunities to increase economic benefit for our community."

The majority of GFC's strategic drivers relate to on-field performance and the provision of state-of-the-art facilities for its members and patrons.

Unfortunately, it wishes to achieve these goals by using Council as its funder. There is no plan for a reduction in the debt to Council over the next 5 years, with projected cash flow surpluses being utilised in capital expense for the benefit if GFC, its members and patrons.

We note that all other creditors (including ANZ - the next largest creditor) have been catered for, other than Council.

It is noted that, in addition to the above items, GFC has stated as follows:

"Precinct Infrastructure Needs:
Further to the above items highlighted, the Club has previously communicated to COHB Council, that there are significant urgent infrastructure needs that need funding prioritisation for the following reasons:

a) Infrastructure has reach (or near) end-of life.
b) Infrastructure has been removed from the precinct and not replaced.
c) The community needs an oval precinct for which patrons can enjoy sport, free from adverse weather conditions (i.e. extreme heat, wet weather etc).
d) Increase our community's ability to capitalise on sports tourism opportunities to increase economic benefit for our community.

Please see below items on the following page that need consideration:

Key Expense/Capital Item Details Responsible Entity:

Oval Lights replacement: NOT BUDGETED:
Investment needed of approx. $1.5M for SANFL standard 500 lux lighting. GFC will receive very little commercial uplift by the investment however need lights for training for our men's, women's and juniors (5 nights per week), as well as hosting local school and Amateur games as we currently support.
GFC also support some junior cricket twilight games in Summer.
GFC do not have the funds to invest into this infrastructure.

Venue carpet
Both upstairs and bistro area carpet is at end-of-life and needs replacing (COHB)
Solar Identified as an opportunity to reduce our carbon footprint and reduce power consumption and expense wastage. (COHB)

LED - internal venue lighting
Identified as an opportunity to reduce our carbon footprint and reduce power consumption and expense wastage. Estimated cost $20,000. (COHB)

External Building painting
At end of life, particularly the western walls. (COHB)

Oval Canteen – Umbrella Hill Container?
As previously communicated, the precinct has lost 3 permanent canteen buildings on the western side in recent years that have not been replaced. It is expensive to continue to set up & pack down pop-up canteens each match day. Given that Stage 5 of the Glenelg Oval Master Plan has been delayed, it is recommended that a container type canteen building be installed on Umbrella Hill. (COHB)

Grandstand Refurbishment - Coaches Boxes, Media rooms, Ground MC/Scoreboard management area etc.
Are not fit-for purpose to support SANFL standards, let alone attract AFL Gather Round matches. SANFL have advised that Gather Round games will not be played at Glenelg Oval until this is rectified, as well as oval lighting improvements. (COHB)

Oval Dug Outs & Trainers Huts
Are end of life and not fit-for purpose to support SANFL standards, let alone attract AFL Gather Round matches. SANFL have advised Gather Round games will not be played at Glenelg Oval until this is rectified. (COHB)"

Putting aside the question of the oval lighting which GFC estimates will cost $1.5 million to $2 million and for which it has not allocated a responsibility, it appears that GFC is expecting Council to fund significant costs of improving the oval facilities at no cost to GFC.

GFC has stated that the capital expenditure it proposes to make (especially the alfresco area) will "improve" the Council's asset – viz. the oval precinct. Whilst this may "improve" the facility, the "improvement" adds no value the Council's asset – that is, it is not an asset which is readily realisable to repay the debt to Council.

GFC would be aware that the oval precinct is not readily saleable and/or that the Council may be politically averse to instigating collection proceedings against GFC. This may be a factor in GFC's proposal that no funds be repaid to Council for the next 5 years.

It is our view that, while everyone wishes to see GFC succeed, it is proper that a significant portion of the projected net cash surplus be utilised to repay part of the debt to Council. Our suggestion would be 50% of the net cash surplus being utilised for that purpose, with the balance of 50% available to GFC for its capital expenditure.

4 SECURITY AND ASSET POSITION

In the event that GFC is not prepared to enter into a repayment agreement, Council needs to consider its other options, including the issue of legal proceedings, including possible wind-up action.

We have considered GFC's asset position and provide the following comments:

4.1 VENUE

4.1.1 VENUE ASSETS

The balance sheet for Venue as at 31 October 2023, as provided to us, indicates that it has assets at book value of $6,086,384, comprising:

Bank accounts (ANZ)	$ 265,232
Cash Floats	$ 88,200
Receivables	$ 90,775
Stock & other current assets	$ 58,418
Property, plant, improvements etc.	$4,818,746
Gaming Machine Entitlements	$ 765,013
	$6,086,384

We make the following comments in respect of these assets:

Bank Accounts

ANZ is owed $227,667 and holds a first registered security interest over the assets of Venue. In addition, it is entitled to a statutory set-off against Venue's funds of $265,232 held by ANZ.

Accordingly, only the $37,565 surplus funds held by ANZ (i.e. $265,232 less $227,667) is likely to be available to meet the debts of other creditors.

The extinguishment of the debt to ANZ should also lead to it discharging the security it holds over the remaining assets of Venue, enabling the proceeds of such assets to be available for other creditors of Venue.

Cash floats, receivables, stock and other current assets

These assets, along with the surplus funds in the ANZ bank accounts, are "circulating assets", which are distributable to employees in respect of accrued entitlements, in priority to other creditors.

At book value, these circulating assets have a value of $274,957.

The surplus cash at bank, cash floats and receivables should be fully recoverable.

We have verified the balance of the cash at ANZ. We also note that the accounts receivable ledger for Venue indicates that all debtors are within 2 months, therefore no bad debts are anticipated. We also note that the accounts receivable ledger is slightly less than the balance sheet figure, but the difference is not considered to be material).

In the event that the Venue was sold or closed, it is unlikely that stock could be realised at book value. We have estimated the value of stock at 50% of book value if Venue could be sold as a going concern and 10% of book value if Venue shut closed and the stock auctioned.

We have estimated the realisable value of the circulating assets between $233,499 and $251,925.

Accrued employee entitlements are shown at $120,557. This does not include any amount for redundancy in the event that Venue's operations were closed, and the staff's employment was terminated. We understand that there are not many fulltime staff to which redundancy provisions apply and have not calculated a figure.

Subject to any claims for redundancy pay, there appear to be sufficient circulating assets to meet accrued employee entitlements in full.

Property, Plant, Improvements etc

The balance sheet for Venue indicates a book value of $4,818,746 for property, plant and improvements, with $43,446 owing to creditors for loans to acquire the equipment.

The depreciation schedule as at 31 October 2023 provided to us ***(Annexure 10)*** indicates a written down value of these items at $5,189,933 – a difference of $371,187. Whilst that difference is significant, in the end, it is largely academic, as the majority of the items on the depreciation schedule comprise improvements to Venue's premises.

The book value of redevelopment costs per the depreciation schedule are:

Alfresco Development 2022	$ 2,380
Gaming Room Redevelopment 2021/22	$ 175,138
Licensed Facility Renovations & Revaluation	$4,649,932
	$4,827,450

These are items which are not realisable. Accordingly, we have allocated a Nil value to them for the purposes of repaying any debt to Council.

The balance of the book value of Venue's depreciation schedule is $362,483 comprising:

Plant & Equipment (Bar & Bistro)	$ 31,590
Plant & Equipment (Gaming)	$ 23,913
Plant & Equipment (Kitchen)	$ 39,885
Sub-total	$ 95,388
Gaming Machines	$267,095
	$362,483

Again, much of the plant and equipment (book value of $95,388) comprises fixtures to the premises which cannot be commercially removed and sold. We have arbitrarily estimated the going concern realisable value of the plant & equipment at $30,000 with an auction realisation value of $10,000.

The main commercially realisable items comprised in the depreciation schedule are the gaming machines, with a book value of $267,095.

Past experience indicates that the re-sale value of gaming machines declines rapidly, as patrons prefer new, modern machines.

A number of Venue's machines appear relatively old. Accordingly, we have estimated the going concern realisable value of the gaming machines $133,548 (i.e. 50% of book value) and an auction realisation value of $26,710 (i.e. 10% of book value).

In summary, we estimate that if Venue were to be placed into liquidation, recoveries for plant, equipment and improvements would approximate $163,548 on a going concern value and $36,710 on an auction realisation basis.

Gaming Machine Entitlements

"Glenelg Footballers' Club" owns 36 GMEs. The book value of those GMEs is shown at $765,013 (i.e. $21,250 each).

GMEs may be sold via trading rounds conducted by CBS. In those rounds, vendors nominate how many GMEs they wish to sell. CBS then calls for tenders from purchasers to achieve a sale.

In the trading round system, the vendor must relinquish 1 in 5 of the GMEs it wishes to sell, thereby reducing the number of GMEs in South Australia to combat gambling addiction problems.

In other words, for each 5 GMEs a vendor wishes to sell, it will only be paid for 4 of those. If Venue wished to sell its GMEs (say 35 of them) via the trading round, it would receive payment for 28 of them.

In the last trading round in 2023, vendors of GMEs received $36,250 for each GME. Assuming that the price in the next trading round remained the same and that Venue sold 35 GMEs, it could expect to receive $1,015,000 (i.e. 28 x $36,250).

It is also possible to sell GMEs privately outside of the trading round. In that case, the vendor does not have to relinquish any GMEs, but the transfer must be approved by CBS.

The price achieved in a trading round is indicative of the price achievable in a private sale. If Venue could sell its 36 GMEs privately at the last trading round price, the value of its GMEs could be $1,305,000.

From our past dealings with GMEs, their value does not appear to be affected by an external administration of the vendor.

Adopting a conservative approach, we have estimated the value of Venue's GMEs at the expected realisable value of them if sold via the CBS trading round.

4.1.2 VENUE LIABILITIES

Secured Creditors

A search of the PPSR for Venue indicates 12 registered security interests.

Council does not have a security interest registered against Venue and as far as we are aware, it does not hold any charges over any assets of Venue.

The 12 registered security interests over Venue may be described as follows:

- 3 registrations to ANZ, over all assets of Venue, in respect of loans to Venue
- 2 registrations in respect of food, beer, wine & spirit supplies
- registrations in respect of gaming machines
- 1 registration for the supply of unidentified goods

The balance sheet shows Venue's debt to ANZ as at 31 October 2023 to be $227,667. As advised above, the funds held by Venue with ANZ at that date exceed its debt.

The balance sheet also indicates the secured debt over gaming machines to be $43,446. The value of the machines appears to exceed this debt.

GFC has provided to us copies of the finance leases for the which they have not yet been paid in full, together with details of the outstanding balances. These agreements correlate with the details on Venue's balance sheet.

It appears that there are at least 3 security interests registered on the PPSR against Venue where the debt has been paid in full. It would be our recommendation that GFC requests those financiers to remove those registrations from the PPSR.

Priority Creditors

Per its balance sheet, Venue has the following accrued employee entitlements:

PAYG	$46,252
Superannuation	$14,415
Provision for Annual Leave	$27,709
Accrued wages & payroll	$10,954
Provision for Long Service Leave	$21,227
	$120,557

In the event of an external administration, these amounts are payable in priority to the debts to other creditors. There appear to be sufficient assets to meet the above debts in full.

The above figures do not consider any amount payable in respect of redundancies, which also receive a priority in the distribution of funds.

If the business of Venue can be sold as a going concern, staff may keep their positions and redundancy payments may be avoided. However, if the business is closed, redundancies would arise. At this stage, we have not estimated the amount which may be payable in that event.

Unsecured Creditors

Venue's balance sheets indicate the following unsecured liabilities as at 31 October 2023:

City of Holdfast Bay	$1,029,923
Glenelg Football Club	$1,131,317
General Trade creditors	$80,907
Gaming tax payable	$72,739
GST payable	$107,115
Deposits	$21,232
SANFL loan	$21,580
	$2,464,813

On book values, there are sufficient assets to fully cover all debts of Venue. However, as noted above, the plant, equipment and improvements of Venue largely have no realisable value.

As a result, in the event of an external administration of Venue, creditors are unlikely to recover their debts in full.

We estimate that the creditors of Venue are likely to recover between 45 and 51 cents in the $ of their debts (refer ***Annexure 9***). For Council, which translates into a direct return of $468,496 to $529,195.

We make the following additional comments:

- While Council's initial loan was to Club, Venue has guaranteed its repayment. As far as we are aware, Venue and Club are now jointly and severally liable for the debt. This means that Council may maintain a claim against each of them until the debt to Council is paid in full; and
- As at 31 October 2023, Club was owed $1,131,317 by Venue. Accordingly, Club may also make a claim against Venue. Club is estimated to receive between $514,619 and $581,293 in any distribution from Venue. That will provide a flow-on benefit to Council in a distribution to it from Club.

4.2 CLUB

4.2.1 CLUB ASSETS

The balance sheet for Club at 31 October 2023, as provided to us, indicates that it has assets at book value of $1,966,819 comprising:

Bank accounts (ANZ)	$ 379,395
Cash Floats	$ 3,902
Receivables	$ 29,852
Stock & other current assets	$ 93,811
Property, plant, improvements etc.	$ 328,542
Loan – Venue	$1,131,317
	$1,966,819

We make the following comments in respect of these assets:

Bank accounts, Cash floats, receivables, stock and other current assets
As noted above, these assets are "circulating assets", which are distributable to employees in respect of accrued entitlements, in priority to other creditors.

At book value, these circulating assets have a value of $506,960.

The cash at bank and cash floats should be fully recoverable. We have verified the balance of the cash at ANZ. We have not counted the Cash Floats and have assumed that they exist in the amounts stated.

The accounts receivable ledger for Club indicates that $31,127 is due to it (slightly different to the balance sheet figure), and that all bar $6,073 is within 2 months, with $23,063 (74%) being "current". The $6,073 is shown as outstanding over 3 months.

We note that many of the accounts receivable appear to relate to membership fees.

For the purposes of our report, we have estimated that the $6,073 is not recoverable. It is also likely that in the event of a liquidation, it will also be difficult to recover unpaid membership fees. Accordingly, we have discounted the remaining balance of the accounts receivable by 75%, leaving an estimated collectible amount of $6,264.

In the event that the Club was sold (if possible) or closed, it is unlikely that stock could be realised at book value. We have estimated the value of stock at 50% of book value if Club could be sold as a going concern and 10% of book value if Club shut closed and the stock auctioned.

We have estimated the realisable value of the circulating assets between $398,942 and $436,467.
Accrued employee entitlements are shown at $166,354. This does not include any amount for redundancy in the event that Club's operations were closed, and the staff's employment terminated.

There appear to be sufficient circulating assets to meet accrued employee entitlements in full.

Property, Plant, Improvements etc

The balance sheet for Club indicates a book value of $328,542 for property, plant and improvements.

A depreciation schedule as at 31 October 2023 provided to us ***(Annexure 11)*** indicates a written down value of these items at $317,302. This difference is immaterial, and we have not sought to reconcile it.

Again, the majority of the items on the depreciation schedule comprise improvements to the Club's premises, principally the oval lighting which is shown at $267,400 of the $317,302.

Other items include carpet, painting, and signage. There is minimal commercially realisable value in the office equipment. Accordingly, we have attributed a Nil realisable value to the property, plant, and improvements.

Loan – Venue

As at 31 October 2023, Club was owed $1,131,317 by Venue.

As noted above, in the event of liquidation of Venue, Club is estimated to receive between $514,619 and $581,293 in any distribution from Venue.

Previously, Venue supported the operations of Club by making distributions to Club. These distributions do not affect the level of loan accounts.

It is noted from projected cash flows provided by GFC, that future support for Club from Venue is to be made via loan to Club. The effect of this change is that the debt by Venue to Club will be reducing, eventually resulting in Club becoming a debtor of Venue by 31 October 2027.

Council holds security over the assets of Club but not Venue. This change means that the asset base over which Council holds security will be significantly eroded over the years.

4.2.2 CLUB LIABILITIES

Secured Creditors

A search of the PPSR for Club indicates 12 registered security interests.

The 12 registered security interests over Club may be described as follows:

- 1 registrations to Council, over all assets of Club, in respect of loans to Club
- 1 registration to ANZ, over all assets of Club, in respect of loans to Club and/or Venue
- 10 registrations in respect of food, beer, wine, spirits and other goods

The balance sheet for Club as at 31 October 2023 indicates that ANZ is not a creditor of Club but is owed $227,667 by Venue. Club has guaranteed that debt and provided security to ANZ. As noted above, the funds held by Venue with ANZ at that date exceed its debt to ANZ and it is expected that the debt and security to ANZ will be extinguished from those funds.

Priority Creditors

Per its balance sheet, Club has the following accrued employee entitlements:

PAYG	$48,767
Superannuation	$12,583
Provision for Annual Leave	$60,648
Accrued wages & payroll	$3,904
Provision for Long Service Leave	$ 40,452
	$166,354

In the event of an external administration, these amounts are payable in priority to the debts to other creditors, including secured creditors. There appear to be sufficient assets to meet the above debts in full.

The above figures do not consider any amount payable in respect of redundancies, which also receive a priority in the distribution of funds. At this stage, we have not estimated the amount which may be payable in that event.

It is estimated that funds of $637,207 to $741,405 would be available to Council, which holds a first registered security interest over the assets of Club.

Together with the funds receivable by Council directly from Venue, this would be sufficient to repay Club's and Venue's debts to Council in full.

Unsecured Creditors

Club's balance sheet indicates the following unsecured liabilities as at 31 October 2023:

General Trade creditors	$176,982
GST payable	$17,468
ANZ Credit card	$2,723
Accruals Income in advance	$115,760
	$312,933

We estimate that the unsecured creditors of Club are likely to recover between 24 and 7 cents in the $ of their debts ***(Annexure 9).***

4.3 ESTIMATED STATEMENT OF POSITION

- We have prepared estimated statements of position for the Club and the Venue using the book value ("BV") from the unaudited balance sheet as at 31 October 2023 and estimated the going concern values ("GCV") and auction realisation values ("ARV"), as summarised below:

	GCV $ '000	ARV $ '000
Estimated funds available to Council from Club	741	637
Estimated funds available to Council from Venue	529	468
Total funds available to Council	1,270	1,105
Less GFC Debt to Council	1,030	1,030
Estimated surplus to Council	240	75

- On our estimates, in a formal appointment/enforcement process, the physical assets of GFC are likely to be able to meet the debt to Council in full.

- This demonstrates that the recovery of Council's loan is not dependent upon the continuation of GFC, however, Council may not wish to take recovery action for other than direct commercial reasons.

- We have attached as ***Annexure 9*** a more detailed schedule of the analysis for your information.

- Please note the following in relation to this analysis:

  - We have allowed for Appointees/administration costs of $165,000 (incl GST) for Venue and $110,000 (incl. GST) for Club;

  - The effects of GST on asset sales have been excluded;

  - The effects of capital gains tax on the sale of fixed assets have been excluded;

  - Realisable values for plant and equipment under GCV and ARV scenarios have been estimated based on our review of the depreciation schedule. It should be noted that we are not valuers, and it may be desirable for a valuation of plant and equipment to be conducted; and

  - It is assumed that the Council's guarantee from Venue is unsecured. It may be desirable to obtain legal advice on the Council's security position.

5 CREDITORS

- Council is GFC's largest creditor.

- Council's debt as at 31 October 2023 totals $1.03 million and is recorded in Venue's balance sheet despite the loan and security documentation being with Club. We note that this is consistent with the loan's treatment in the historical audited accounts of both Club and Venue. We are not aware of the reason for same.

- Council is a secured creditor of Club and holds a guarantee from Venue, which is unsecured.

  All creditors appear to be within agreed trading terms, other than Council.

5.1 ATO

- A review of ATO ledger printouts for Club and Venue dated 4 September 2023 indicates that their liability to the ATO is current, with only the liability for the activity statements to 31 August 2023 outstanding. These were $26,999 for Club and $27,218 for Venue.

- Based on our review it appears the liabilities to ATO are being met as they fall due.

5.2 TRADE CREDITORS

- An Aged Payables ledger for Club as at 31 October 2023 indicates trade creditors of $173,566 summarised below:

	Current	*< 1 month*	*1 month*	*2 months*	*3 months*	*Older*	*Total*
Total Debt ($ '000)	38	130	2	Nil	3	Nil	173
Percentage	22%	75%	1%	Nil	2%	Nil	100%

- The Aged Payables ledger for Venue as at 31 October 2023 indicates trade creditors of $91,644 summarised below:

	Current	*< 1 month*	*1 month*	*Older*	*Total*
Total Debt ($ '000)	68	22	2	Nil	92
Percentage	74%	24%	2%	Nil	100%

- There are minor differences between the amounts shown in the Aged Payables ledgers compared to the Trade Creditors figures in the balance sheets as at 31 October 2023, but these are not considered material and we have disregarded them for the purposes of this report.

- We are advised that no statutory demands or legal notices have been received in relation to Club or Venue creditors.

- In summary, GFC's trade creditor payments appear to be under control.

5.3 EMPLOYEES

- Wages and superannuation appear to be up to date.

- We have sought additional information from GFC to verify the figures set out in the balance sheets for accrued employee entitlements and to estimate redundancy entitlements and are presently awaiting that information.

5.4 SECURED FINANCIERS

5.4.1 ANZ

- Venue has the following facilities with ANZ:

  - Business loan $227,667
  - Overdraft facility $160,000
  - Corporate Card $ 20,000

- As at 31 October 2023, ANZ was owed $227,667 in respect of the business loan. The overdraft facility was not being utilised as Venue's bank account was in significant funds and no amount was shown as owing on the corporate card.

- Club has guaranteed Venue's facilities with ANZ and both Venue and Club have granted security over its assets to ANZ. As noted above, the assets of Venue significantly exceed the liability to ANZ.

- We understand that GFC has entered into an agreement with ANZ that repayments on the business loan are to be on an interest only basis until 31 October 2024, following which it is to be repaid on a principal and interest basis over 10 years.

5.4.2 GAMING MACHINE FINANCE

- Metro Finance Pty Ltd and LNW Gaming ANZ Pty Ltd provided equipment finance in 2022 and 2023 for 3 new poker machines. Those parties have registered their security interests against Venue on the PPSR. It appears that an amount of $43,446 is owing to these two parties.

6 DEBT RESTRUCTURE OPTIONS

We have considered the assorted options available to Council, bearing in mind that Council's decision may be based on factors other than just GFC.

With that in mind, we consider that Council has the following options:

6.1 ACCEPT GFC's PROJECTIONS & DEFER PAYMENTS

- GFC's projected profit and loss statements appear reasonable and achievable, although are considered to be somewhat conservative.

- Under those projections, GFC is proposing that its surplus cash is re-invested into the oval precinct and Venue's facilities, with no debt reduction to Council. The rationale put forward is that such capital expenditure adds to the value of the facilities (a Council asset) and increases future profits for GFC.

- We have already addressed the issue that the "value added" to the Council asset is illusory, as it cannot be readily realised to repay the debt.

- There is little doubt that capital expenditure on improved facilities for members and patrons will improve GFC's income, but the questions remain by how much will it improve profits and how the improved profits be used.

- There is no guarantee that in 5 years, GFC will not find other items requiring further capital expense, again to the detriment of Council.

- For these reasons, we consider that Council should reject any submission that it defers repayment of the debt due to it for 5 years.

- If Council is minded to agree to GFC's request, we strongly recommend that the agreement being subject to Venue granting Council a charge over its assets, with the right to realise those assets should GFC fail to meet any agreed subsequent repayment program.

6.2 NEGOTIATE A DEBT REPAYMENT PROGRAM

- It is open to Council to seek a reduction of GFC's debt to Council over the next 5 years from GFC's projected net cash surplus (before capital expenditure).

- As noted above, GFC is anticipating a cash surplus of $1.34 million over that period, before proposed capital expenditure.

- We consider it appropriate that at least a part of that be used to reduce the debt to Council. To simply expect Council to defer collection of its debt is unrealistic.

- We have suggested that 50% of the cash surplus could be utilised to reduce the debt to Council. That would approximate $670,000 over the next 5 years.

- Obviously, that figure is subject to negotiation between Council and GFC. For example, if GFC was even to halve its investment in new gaming machines, that would provide a $400,000 reduction in debt.

- Any such agreement should be coupled with an insistence on security over the assets of Venue.

- This would be our recommended approach.

6.3 ANZ

- As discussed above, ANZ's position is strong, holding first ranking security over Venue and second ranking security over Club and the value of its security exceeds the debt to it.

- We understand that GFC has an agreement with ANZ to repay its debt over a 10-year period.

- It may be possible to payout ANZ's debt and take an assignment of ANZ's security over Venue. However, it is likely that GFC will still require overdraft facilities and ANZ are unlikely to assign security while it still has a facility in place.

- Accordingly, we do not recommend this course but again recommend that Council seek security over the assets of Venue, so that ANZ's first ranking security over the assets of Venue are limited to the current facilities.

6.4 ISSUE DEBT RECOVERY PROCEEDINGS

- If GFC are not prepared to enter into any debt reduction agreement or provide Council with Security over the assets of Venue, it is open to Council to cease support to GFC and issue debt recovery proceedings.

- Our estimates indicate that, on present figures, if Club and Venue were to be put into liquidation, Council is likely to recover its debt in full, largely due to the value of the GME's and the relatively low debt to ANZ.

- In those circumstances, GFC may approach SANFL for assistance, which may provide a further solution. We have not further considered what SANFL's attitude would be to such an approach. That is a matter for GFC to pursue.

- We consider that the issue of proceedings should be a last resort but as Council has no security over the assets of Venue, should GFC's financial position deteriorate, Council's ability to recover its debt in full will also decline.

6.5 RISK

- We consider that a major risk to Council is if GFC is able to secure external funding for its planned capital expenditure program and grants the financier a second ranking charge over the assets of Venue.

- We consider it would be difficult for GFC to obtain such funding. However, given the current relatively low debt to ANZ (the first ranking charge holder), there is significant equity in Venue's assets, particularly the GME's with an estimated value of approx. $1 million.

- Currently, that equity would be available to meet the claims of Venue's unsecured creditors, the major one of which is Council.

- If GFC is able to attract a financier for its planned capital expenditure, which would likely take security over Venue's commercially realisable assets, Council's position will be significantly weakened.

- It is therefore imperative that, in the very least, Council seek security over the assets of Venue.

6.6 STRATEGY

- We recommend that Council seek to agree a debt reduction arrangement acceptable to both Council and GFC, with security being provided to Council over the assets of Venue.

  BRIF are able to provide further assistance to Council's Working Party in this regard, if required.

Should you have any queries regarding this report, please contact me or Maris Rudaks of our Adelaide office on 08 8233 9900.

Dated this 15th January 2024.

Andre Strazdins
Principal

Attachment 2

Glenelg Football Club Inc.
PO Box 72, Glenelg SA 5045
Ph: (08) 8294 5333
www.glenelgfc.com.au

2nd April 2024

Roberto Bria
City of Holdfast Bat CEO
Via email

Dear Roberto,

Offer of Debt Forgiveness Proposal

Thank you for your, and the Elected Members patience and ongoing support whilst the Glenelg Football Club has been working to undertake significant due diligence on our long-term financial sustainability, debt profile and capital expenditure requirements. Whilst this has taken some time, effectively the Club has embarked on a process to build the foundations of a 5-year financial strategic plan which is timely and gives the Club real clarity over our future.

As you are aware, the Club has been working extremely hard to improve our financial position over recent years as well as support our community, and, in particular young male and female footballers with a pathway to achieving their goals and be the best versions of themselves. At the same time, we do not underestimate the social, health and wellbeing influence we have on our broader Holdfast Bay community who get great delight in us achieving on-field success, which was quite humbling last year winning both the SANFL League and Reserves premierships for the first time in our 100 year history.

As you are aware we have been working with the Glenelg Oval Working Group, our Board, our bankers (ANZ) and the SANFL to reach a position and would like Council to consider the following:

1. A request for 50% forgiveness on our current $1.029M debt facility with the City of Holdfast Bay Council.
2. The remain 50% debt ($514,500) be payable upfront as a final payment to extinguish all outstanding debts with Council.
3. The Glenelg Football Club aim to get this paid by 30 June 2024.

The above offer is subject to ANZ approving an extended finance facility with them.

With the above in mind, please find in Appendix A, some detailed context into the factors that have informed our request. It is important to recognise that without the support that the City of Holdfast Bay Council in recent years, we simply would not have enjoyed our current on and off-field success without your ongoing financial support and patience.

Thank you for taking the time to review our considerations.

Kind regards,

David Whelan
President (on behalf of the Glenelg Football Club Board)

APPENDIX A

Background & Context to this Proposal:
The backdrop of our debt related issues stems back over 20 years prior to both current Council, GFC Board and CEO's tenures and, as such, there has been regular and ongoing discussions and strategies implemented over this time. For background information, written correspondence from previous President Nick Chigwidden, dated 5th December 2016 and 10th May 2017, highlights various key information that was relevant at the time of documenting. COHB Council have access to these documents.

In broader context, I do also wish to share some key facts from a recent Socio-Economic Report commissioned by the SANFL in August 2021, documenting the significant impact that SANFL Clubs have on their local communities. It is in this context we highlight the following:

- The total financial contribution of a SANFL Club to its community is estimated to be approximately $10 million per annum.
- SANFL Clubs provide an average of 66 jobs in football operations and administration, with an estimated 33.7 'full time equivalent' jobs.
- The average number of volunteers at a SANFL Club is 47 providing an estimated 9,300 hours of voluntary input each year.
- Our football club facilitates somewhat of a 'second home' for many volunteers, supporters and community members which promotes positive mental health and wellbeing and social connectively in our Holdfast Bay community.
- The number of players, program participants, members and spectators at a SANFL Club, on average, is:
  - Male and female players: 502
  - Program participants: 144
  - Members: 2,296
  - Spectators: 28,741
- On average, each SANFL Club:
  - Supports 4 community groups (including Indigenous communities)
  - Supports at least 1 philanthropic foundation.
  - Supports more than 45 clubs and schools.
  - Has direct relationships with 9 local businesses (often 2-way, sponsors & contracts)

Our Purpose and Values:

Proudly, the Club has won three of the last five Stanley H Lewis Awards for the best performed Club in the SANFL. There have been several key reasons for us achieving this outcome:

1. The Club has invested heavily in facilitating ongoing personal leadership development education for our male and female players and staff. The result of this commitment is now starting to be reflected in the Club building a reputation as a destination Club, as well as young male and female footballers feeling that the Club provides the best environment for them to reach their potential as an individual and to play football at the highest level. There is no greater example of this than recent SANFLW Best & Fairest, Piper Window. Piper entered our football program as a 15-year-old Brighton High School student and has been provided on and off-field football and life-skill development in an environment that has allowed her to flourish to the extent she has also achieved:
    - All Australian Captain 2023
    - GFCW Best & Fairest 2023
    - SANFL Powerade Breakthrough Player Award
    - SANFL Coaches Award 2023
    - The Advertiser Team of the Year 2023

   Piper's personal growth is one of many and a great reflection of our program and commitment to our community.

2. Our values framework: Our purpose and values are at the very heart of our culture as a Club and our players and staff are highly driven by them.

OUR PURPOSE:
To win premierships, drive exceptional standards and positively connect with our community.

OUR VALUES:
- ***Respect***
- ***Resilience***
- ***Unity***
- ***Conviction***

Our playing groups also implement an extension of our values framework by developing their own team base trademark (***Our Stripes***) for which they measure themselves on a daily and weekly basis. Whilst our intent is to continually improve and build our culture, it is hoped that COHB Council and our community, feel that those values represent them and that we act and behave in a way that reflects our broader community values.

Key Strategic Drivers:
The below details were previously shared with the Glenelg Oval Working Group, however it is important to note, when assessing our financial projections, that these drivers were at the forefront of our thinking:

Financial sustainability & certainty:
- An ability to minimise wasteful expenditure items (power, old, inefficient infrastructure etc.)
- An ability to diversify revenue streams to minimise financial instability (ie: gaming, football)
- increase our ability to generate certainty with our business and strategic planning.

Invest (oval precinct & improve football programs):
- An increased ability to invest financial resources into improving the precinct.
- An increased ability to invest into our male and female football programs.
- Increase resources into our football pathway programs to create a Centre of Excellence for our community.

Community / Oval Patrons:
- SANFL football is the best tribal, State League football competition in Australia.
- Glenelg FC is one of the most reputable brands in Australian football.
- We strive to live our values: Respect, Unity, Resilience & Conviction
- We want to provide our community with a football team they can be proud of, one that reflects the character of our community.
- We want our children to aspire to live fulfilling lives and facilitate healthy lifestyle choices and connections.
- We need an oval precinct for which patrons can enjoy sport, free from adverse weather conditions (ie extreme heat, wet weather etc.)
- Increase our ability to capitalise on sports tourism opportunities to increase economic benefit for our community.

Detailed Financial Sustainability Assumptions:

The Club has spent significant time in recent months diligently reviewing our key revenue and expense lines, implementing cost efficiencies, and trying to predict future variables which is challenging in the current economic conditions, noting the current cost of living pressures on families and businesses. Given the significant nature of building a 5-year financial plan, the Club invested in cash flow projection software (Castaway) which has, and will continue to, provide us with greater clarity on our cash flow management as well as a greater ability to scenario plan various strategies that could improve our financial stability. The 5-year financial projections provided to BRI Ferrier and Council are the projections taken from our Castaway software.

As an extension to providing the detailed financial estimations over the forthcoming 5-year period, it is critical that COHB Council understand what our key assumptions have been, and in particularly, the larger dollar value items that significantly impact on our cash flow.

It is also important for COHB Council to understand that, given the near end-of-life infrastructure and current poor state of the building we occupy, there are significant ongoing costs that we need to budget for, until all of this end-of-life infrastructure can be replaced or upgraded. These key items will be highlighted below.

Please see attached in the below table, specific details of the key items that influence our financial projections into the future.

Key Expense / Capital Item	Details	Responsible Entity	Year					
			2024	**2025**	**2026**	**2027**	**2028**	**TOTAL**
Business as Usual (must have)	**TOTAL**		**$267,302**	**$602,501**	**$269,481**	**$264,610**	**$264,894**	**$1,668,788**
Women's Football	The Football Club is highly committed to providing a pathway for young girls and women in our community to reach their potential. Women's football has had a really positive impact on our Club and community and, at SANFL level, we need to maintain a level of financial commitment to provide quality coaching, human resources, access to sufficient oval space and facilities. From 2025, the SANFL have also committed to commencing playing female players a minimal match payment to play. The estimated cost per season is likely to be $30,000 per Club. From a financial perspective, the AFL have chosen to build (and fund) women's football from the top down. This meaning, most funding is allocated to the AFLW program and very little funding is provided to SANFL Clubs to deliver the resources required to mobilise and maintain the programs. This being the case: – the total projected financial commitment to maintain our investment into women's football over the coming 5 years is $981,288. – The current funding from SANFL and the AFL is projected to be $437,500. – The shortfall to provide adequate resources for us to fund the program is $543,788, which is broken down per year in the adjoining table.	GFC	$73,302	$108,501	$115,481	$120,610	$125,894	$543,788
Second Oval investment	The Club currently does not have enough oval space to accommodate the growth in our women's and junior programs. There is an expectation from SANFL that GFC co-contribute $100,000 to unlock up to $1 - $2M worth of facility upgrades in order to primarily support a training venue for our growing women's program and juniors.	GFC		$100,000				$100,000
Oval Lights: Additional repairs & maintenance	The current oval lighting infrastructure is near end-of-life, with old technology that is also not great for the environment. Additional Repairs & Maintenance budget above current GFC budget to fix end of life fuses, globes, crane hire etc.	GFC	$25,000	$25,000				$50,000

Key Expense / Capital Item	Details	Responsible Entity	Year					
			2024	2025	2026	2027	2028	TOTAL
Business as Usual (must have)	**TOTAL**		**$267,302**	**$602,501**	**$269,481**	**$264,610**	**$264,894**	**$1,668,788**
Kitchen Equipment: Additional repairs & maintenance	Additional Repairs & Maintenance budget above current GFC budget to fix issues with equipment not quite at end of life.	GFC	$10,000	$10,000				$20,000
	A lot of equipment will reach end of life including but not limited to deep fryers, ovens, cool room, fridges, freezers, microwaves.	GFC	$25,000	$25,000	$20,000	$20,000	$20,000	$110,000
Air conditioning system - additional repairs & maintenance	Current R & M budget is increasing due to the age of the system. Our maintenance contractor has advised that maintenance costs will increase as parts will become more difficult to find, until a new system is installed by the Council. GFC are responsible to maintain the system and, as such, will need an increased budget until COHB install a new system.	GFC	$10,000	$10,000	$10,000			$30,000
Lift: Additional repairs & maintenance	Current R & M budget is increasing due to the age of the lift. GFC are responsible to maintain the lift and, as such, will need an increased budget until COHB install a new lift.	GFC	$5,000	$5,000	$5,000	$5,000		$20,000
Electricity costs	The Club, like the rest of the general public, are not immune to the increase costs placed on us by electricity providers. Whilst we continue to have old technology lighting and air-conditioning, we have been advised that our power costs will remain a financial burden on the Club. The Club was previously paying approx. $13,000 per month for power which has now risen to an average of $20,000 per month. The additional $7,000 per month ($84,000 pa) costs are highlighted in this table.	GFC	$84,000	$84,000	$84,000	$84,000	$84,000	$420,000
Bistro Chairs - replacement program	Chairs are getting torn and ripped and getting towards end of life. Berwick bistro chairs approx. $190 each x 140 required = $26,600. Budget to replace 25 per year = $5,000	GFC	$5,000	$5,000	$5,000	$5,000	$5,000	$25,000
Council decision to now apply *Commercial Leasing and Licensing Policy* on future GFC lease.	The Council have had a *Commercial Leasing and Licensing Policy* established since 2016, for which details Council's ability to obtain additional rent for any commercial sub-leasing arrangements with a primary Lessee. Relevant to our situation, this Policy has never been enforced on the Club however is now being executed as a condition on our future lease whilst ACH Group remain in the building as a sub-tenant. The net cost of this implementation is $30,000 per annum equating to $150,000 over the coming 5 years.	GFC	$30,000	$30,000	$30,000	$30,000	$30,000	$150,000

Key Expense / Capital Item	Details	Responsible Entity	Year					
			2024	2025	2026	2027	2028	TOTAL
Business as Usual (must have)	**TOTAL**		**$267,302**	**$602,501**	**$269,481**	**$264,610**	**$264,894**	**$1,668,788**
Alfresco roof	There are two key fundamental reasons why the Club needs to invest in a sheltered area above the bistro 'oval facing' alfresco area: 1. There is no shelter outside of the bistro area where parents can enjoy our bistro hospitality whilst watching their children play football in inclement weather in winter. 2. The Club needs to fully utilise this area for small functions like wakes, birthday gatherings etc. and expand our bistro food service area. A Business Case has been developed in order to maximise patronage at the venue and generate additional revenue to sustain the Clubs profitability. Estimated at $200,000, this investment does conflict with the view of not investing in an asset that GFC doesn't own (ie: the previous Function Centre issue), however is a necessity.	GFC		$200,000				$200,000

Precinct Infrastructure Needs:

Further to the above items highlighted, the Club has previously communicated to COHB Council, that there are significant urgent infrastructure needs that need funding prioritisation for the following reasons:

a) Infrastructure has reach (or near) end-of life.
b) Infrastructure has been removed from the precinct and not replaced.
c) The community needs an oval precinct for which patrons can enjoy sport, free from adverse weather conditions (ie extreme heat, wet weather etc.)
d) Increase our community's ability to capitalise on sports tourism opportunities to increase economic benefit for our community.

Please see below items on the following page that need consideration:

Key Expense / Capital Item	Details	Responsible Entity	Year					
			2024	2025	2026	2027	2028	TOTAL
Business as Usual (must have)	**TOTAL**							
Oval Lights replacement: NOT BUDGETED:	*Investment needed of approx. $1.5M for SANFL standard 500 lux lighting.* *GFC will receive very little commercial uplift by the investment however need lights for training for our men's, women's and juniors (5 nights per week), as well as hosting local school and Amateur games as we currently support.* *GFC also support some junior cricket twilight games in Summer.*	*GFC do not have the funds to invest into this infrastructure*						
Venue carpet	Both upstairs and bistro area carpet is at end-of-life and needs replacing	COHB						
Solar	Identified as an opportunity to reduce our carbon footprint and reduce power consumption and expense wastage.	COHB						
LED - internal venue lighting	Identified as an opportunity to reduce our carbon footprint and reduce power consumption and expense wastage. Estimated cost $20,000.	COHB						
External Building painting	At end of life, particularly the western walls.	COHB						
Oval Canteen - Umbrella Hill Container?	As previously communicated, the precinct has lost 3 permanent canteen buildings on the western side in recent years that have not been replaced. It is expensive to continue to set up & pack down pop-up canteens each match day. Given that Stage 5 of the Glenelg Oval Master Plan has been delayed, it is recommended that a container type canteen building be installed on Umbrella Hill.	COHB						
Grandstand Refurbishment: Coaches Boxes, Media rooms, Ground MC / Scoreboard management area etc.	Are not fit-for purpose to support SANFL standards, let alone attract AFL Gather Round matches. SANFL have advised that Gather Round games will not be played at Glenelg Oval until this is rectified, as well as oval lighting improvements.	COHB						
Oval Dug Outs & Trainers Huts	Are end of life and not fit-for purpose to support SANFL standards, let alone attract AFL Gather Round matches. SANFL have advised Gather Round games will not be played at Glenelg Oval until this is rectified.	COHB						