

# Presidents Letter 2019

Our aim continues to be to provide a fun, safe and enjoyable experience to our members while generating sufficient income to sustain and grow the organization.

Our results in 2019 were, without doubt, the most impressive in our 53-year history both financially and artistically.

## Financial Results

Our 2018 results were nearly double our best year ever. Our 2019 results showed a further increase of nearly 10%. We ended the year with more than \$600k in cash.

### MWBA Summary Financials

YE 31/12	2012	2013	2014	2015	2016	2017	2018	2019
Sales	1051.9	1114.2	1220.7	1222.1	1229.3	1405.5	1635.8	1863.1
EBITDA	47.0	40.3	89.0	57.7	118.0	53.7	187.3	218.1
Profit	49.1	40.5	90.5	60.3	80.2	13.7	146.4	176.6
Cash from Operations	59.5	43.7	106.2	69.4	121.8	42.5	187.1	231.4
Prepayments	0.0	0.0	0.0	0.0	-227.2	12.6	37.3	25.1
Capex	-0.2	0.0	0.0	0.0	-374.2	-9.9	0.0	-5.6
Cash generated	59.4	43.7	106.2	69.4	-479.6	45.1	224.4	250.9
Cash at year end	355.7	398.8	505.0	574.4	94.8	139.9	364.3	615.2
Equity	381.6	422.2	512.7	573.0	653.2	666.9	813.3	989.9
Capital employed	25.9	23.4	7.7	-1.4	558.4	527.0	449.0	374.7

I would like to make two points regarding these results.

First, our **staff** performs at a very high level and has done so for many years. We have to continue offering them a flexible, safe and interesting working environment.

Second, we **have to manage our finances tightly**. The remuneration of the board remained unchanged at \$0 for the year. We take some pride in the fact that all our transactions involve no payments to directors, director entities or family members.

Our insistence on having flexibility with respect to staff and managing our financials tightly has always been important. In 2020 it is likely to be the key difference between survival and failure of the organization.

## Competitions & Team Numbers

We run competitions every day of the week during school term. Our players range from 7 and 8 year olds in our Tuesday and Saturday Potter League development program through the over 50's in our Sunday Legends competition. For the first time we had more than 4000 registered players.

For the year we ran programs involving 944 teams, an increase of 12% on 2018. Over the past half decade the number of teams in our competitions has grown by 9.2% every year. We utilized NBISC for a total of 6300 hours during the year. Our per court usage is higher now than it was prior to the NBISC expansion in 2016.

We are the largest external user of courts at the PCYC, which opened in 2017. We have developed or expanded relationships with a number of schools that add the equivalent of a new court of capacity to NBISC. We are still constrained by a lack of facilities.

## **Artistic Outcomes**

We continued to have some exceptional outcomes. The **performance of our Rep teams and players** is covered separately. I would summarize by noting that we continue to bat well above our weight in both individual and team success.

In Junior Reps we fielded 16 teams. Nine teams made grand finals and five were Metro Champions. We won BNSW awards for Best Association on Court and Best Women's Program. Fourteen of our players were named to State teams and one player made the National team. The work of our Rep administrators, coaches and players over the past 15 years has taken us from a bottom quartile to top decile performer.

Our **development** efforts are covered separately, but full courts, successful rep programs and profitable development programs are not an accident. The board has insisted on funding development programs in both good and bad times and the excellent work done by Brad Dalton and associates in this role can be felt throughout the association.

Our camps have performed well. We have decided to experiment with the types of specialist camps we offer (Reps, Girls, a shooting camp, etc) and are progressively offering a broader scope of services at the camps and expect to see strong growth over the next few years.

Our schools related programs continue to perform well. During the year we conducted programs at schools representing more than 30% of all enrolments in the Northern Beaches. We expect to benefit from the Active Kids program and are looking at ways to tailor products to the program.

## **Referees**

No association can grow player or team numbers without having a large number of trained referees. We have been very fortunate to have benefitted from the services of Kirsten DeForest in procuring and training referees. We have added more than 40% to the numbers of games being officiated over three years, an achievement of some merit.

Importantly we are adding both quantity and quality to referee numbers. We now have a core of very good referees who are continually being recognized at the metro, state and national level for their excellence. We are beginning the process of expanding our referee development program to include scoring and statistical officials.

Both our referee and coaching development programs are regularly used by BNSW as a model and our referee and technical officials coordinator is used by the NBL.

## **NBISC**

As readers would know, we do not own NBISC. We provide roughly 65% of NBISC's revenue and they provide 65% of our court availability. We therefore need to have a strong and symbiotic relationship.

In our view NBISC is the highest volume, lowest cost, best maintained facility in Sydney. This serves both our short term and long term interests. We are therefore extremely supportive of continued efforts to keep costs low and the facility efficient. This requires regular capital injections for upgrades and maintenance.

Over the past four years we have raised \$84k in grants to help NBISC fund four new scoreboards, four new hoop support systems, two water coolers and a 60kw solar array at a total cost of \$275K. These investments have kept the facilities as new even as they approach 20 years old. They have helped keep costs low. NBISC operating costs per court are below the levels of 2012.

We will continue to support NBISC as it upgrades older parts of the building (eg, the lighting system) and maintains the quality of the asset.

## **Life Members**

Life members are the people who built the association. We continue to benefit from the regular input of a number of them. Eileen Thompson remains a key individual in our development program. David Greenberg continues to coach Junior Reps with unrivalled results. Brian Chapman remains a Director and runs our legends Sunday competition.

In 2019 Phil Smith, our longest serving director, did not stand for reelection. Phil presently splits his time between Tonga and Kangaroo Island where he is involved in nature conservancy. His work on Kangaroo Island during the recent bushfires was exceptional and well covered in Sydney media.

## **Board**

The board consists of four members with more than 10 years' service and two with more than five years service. We added four new directors over the past five years to upgrade and refresh the board. At present the balance is about where it should be.

## **Bev Boyd Fund**

In 2005 Mrs Boyd left MWBA \$25,000 to assist parents of children selected to State teams with the costs associated with training and travel obligations. In the intervening years the fund has given around \$22,000 to support this aim.

The fund still has nearly \$25,000 in it. The board has added \$25,000 to the fund which ought to ensure that it can continue to operate for at least another 20 years.

## **Outlook**

2020 started extremely well. Team numbers for our February competitions increased by more than 7%. We had record numbers of players try out for our rep teams. Revenues and profits were slightly better than the record levels of 2019.

During the second week in March we saw a material increase in forfeits as teams decided not to participate due to fears regarding coronavirus. On March 13 BA cancelled all its programs. On March 14 BNSW cancelled all rep programs. On March 16 we ceased all games, camps and development operations. On March 23 the Prime Minister announced closure of all indoor sports facilities, in effect making our operations illegal.

In the weeks since closure we have done our best to sustain the organization and the NBISC facility so that when it becomes both legal and safe to operate we can do so effectively.

Towards this end we have retained as many of our employees as possible. We have encouraged our coaching staff to develop video training product for players. Our administrative staff have updated important policies and improved their capacity in operating our new systems. We have applied for, and won, a number of grants both for MWBA and NBISC.

We expect to return at some point this year. We have no real idea of the impact of coronavirus on demand for our services, but we believe we can continue to provide a fun, safe and enjoyable product for our customers. We know that if we return by year end we will be in a strong operating and financial position.