



REPORT 2017-2018

Section 24A (4) Gaming Machine Act Special Club License condition 3 – reference to distribution of funds among community, sporting and recreational groups

Introduction

Club One is the holder of Special Club Licence 51500003.

The Licence has the conditions

“The licence is subject to the following conditions imposed by section 24A(4) of the Gaming Machines Act, 1992:

3. A condition requiring the holder of the licence to provide a report to the Minister, no later than 30 September in each year, on the conduct of its financial affairs during the financial year ending on the previous 30 June, including reference to distribution of funds among community, sporting and recreational groups”

The distribution of funds among community, sporting and recreational groups.

Summary:

In 2017 -2018 Club One paid **\$565,102.25** before company tax to Not for Profit community, sporting and recreational clubs and groups.

Of this:

- (1) Club One distributed **\$11,900** to more than 23 Not for Profit community, sporting and recreational clubs and groups, and
- (2) Club One makes one off sponsorships and grants for events and projects to Clubs on the basis of merit. In 2017 -18 this was **\$6,000**.
- (3) Club One paid **\$547,202.25** in Vesting fees.

Club One provided additional capital support for Not for Profit Clubs, in the form of paying interest on loans in this year for the purchase of Gaming Machine Entitlements (GMEs) at the pre deregulated price of \$50,000 plus GST of \$223,235

The accrued total of these interest payments since 2011 is \$938,105



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The present debt of Club One is now \$2,600,000 a decrease of \$400,000 from June 30 2017 (\$3,000,000)

Sponsorships

Club One distributes funds directly by way of a sponsorship program. These small sponsorships grants are managed by the Board through the Executive Officer, determined monthly, up to \$500 per application.

The program was suspended in February 2018. The suspension was part of a series of cost saving measures as Club One addressed a significant decline in income caused by the collapse of the value of its sole assets, GMEs. Given the price of a GME sold in the Trade is so low, to rent them from Club One is no longer attractive. Club One as of June 2018 has 42% of its GMEs (96) non earning as they are without a contract. The decline in value of a GME since the inception of the Trade process is now in excess of 80%.

Vesting

Club One has entered into an arrangement with some Not for Profit Clubs whereby it purchases Gaming Machine Entitlements (GME) termed Vesting.

Vesting is a permanent arrangement whereby Club One pays an annual fee to the Vesting Not for Profit Club in return for the permanent allocation of their GMEs to Club One.

The intent of vesting is to provide a permanent and better return to a Not for Profit Club than the return they could get from investing the proceeds of the sale of a GME.

Presently Club One has 118 GMEs subject to such arrangements. During 2017 - 2018 financial year Club One made vesting payments to Not for Profit Clubs of **\$547,202.25**

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Distribution

<i>Vesting</i>	\$547,202.25
<i>One off sponsorships</i>	\$6,000
<i>Sponsorship grants</i>	\$11,900

Total distribution \$ 565,102.25

Summary Tables - Small Sponsorship Grants for 2017 -2018

Application
Clovercrest Swimming Club – Training resources and water first aid kit
Woodside Bowling Club – Lawn bowls for community participation programme
Scorpion Judo and Martial Arts. -Training mats for junior teams.
Prospect-Broadview Bowling Club - “Rebound” bowls set and “rebound discs” for upgrading player skills
Lobethal Junior Football Club – Pop up tent for game days
Mid North Little Athletics Club – Hurdles
SA master women’s football - Uniforms and water bottles and tape
Port Adelaide Softball Association – General equipment for teams
Gladstone Bowling Club –Defibrillator Kit and first aid kit
Scout Motorsport Club - Long term storage shelving
Barmera Bowling Club –Deep freeze
Tornado Volley Ball Club –Training equipment
Kadina Netball Club –Agility ladders, balls, storage bags- fun fitness nights for the community.
The Mount Pleasant District Pony - High risk survival first aid kit emergency horse first aid kits.
Bordertown Little Athletics – Bean bags, agility ladder, turbo javelins, hoops
Southern Districts Cricket Club – First aid kits, Training Cones, Sky bats.
Blackfriars Old Scholars – Laptop
Glenelg Rebels - Fund Catchers equipment.
Steel City Hockey Club – Protective equipment for players and goalies
Meningie Golf Cricket Croquet & Bowling Club –Ramp for the bowlers to get down to the green and play.
Ports Football & Netball Club Inc - Competition tops for newly created female football team.
Port Noarlunga Surf Life Saving Club –Infant training manikin and defib pads sets
North Pines Women’s Football Team. - Drink bottles, drill equipment. New female AFL team.
Lyrup Bowling Club – Junior Bowls set
Total \$11,900

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Types of Clubs

Club	City	Rural	Total
Swimming	1		1
Bowling	1	5	6
Judo	1		1
Football (AFL)	4		4
Athletics		1	1
Softball	2		2
Motor sport	1		1
Volleyball	1		1
Netball	1	1	2
Pony		1	1
Cricket	1		1
Hockey		1	1
Surf lifesaving	1		1
total			23

Purchase types

Area of purchase	%
Administration equipment (score boards etc)	4
Building needs (chairs, air conditioners etc)	16
First aid	8
Sports Equipment	56
Uniforms	16