

NB: The full version of our Annual Report, including financials, is now available for download by visiting our website: www.shellybeachgolfclub.com.au/ Alternatively, you can request a printed copy by contacting us via email requests: cheryl@sbgc.com.au .

NOTICE OF MEETING

TUGGERAH LAKES GOLF CLUB LIMITED ACN 001071905 T/A SHELLY BEACH GOLF CLUB

All members are hereby notified that the Annual General Meeting of Tuggerah Lakes Golf Club Limited (Club) will be held on Sunday the 12th of November 2017 at 4.30pm for a 5pm commencement in the Club's premises at Shelly Beach Road, Shelly Beach NSW 2261.

AGENDA

1. Apologies
2. To confirm the minutes of the 2015-2016 Annual General Meeting
3. Annual Reports
4. Resolutions
Ordinary Resolutions

That pursuant to the Registered Clubs Act, the members approve entitlements and other such benefits as permitted by law to the Directors as follows:

- The reasonable cost of a meal and beverage for each Director immediately before, during or immediately after a Board or Committee meeting as permitted by law;
 - The reasonable cost of expenses incurred by Directors when carrying out his or her duties in relation to the Club as approved by the Board and permitted by law;
 - The provision of a designated car space for each Director.
 - That the Board of Directors and their spouses be allowed a "Celebratory Dinner" once each year;
 - The reasonable cost of Directors attending seminars & training, lectures, trade displays, invitations to golfing functions and representing the Club as may be determined by the Board;
 - The President, Captain and Treasurer, or in their absence a nominated Director, be entitled to reserve a time slot on competition golf days;
 - The reasonable cost of and incidentals to Directors fact finding tours approved by the Board and permitted
5. Election of Office Bearers for the ensuing year
 6. Any other business consistent with the Clubs constitution

Scott Armstrong
GENERAL MANAGER

Members please note:

Members are requested to advise the General Manager, in writing at least 7 days prior to the Annual General Meeting of any questions relating to the financial statements, the statement of financial position, and associated statements on which further information is required. This will enable properly researched replies to be prepared for the benefit of all members. Questions of a financial nature will not be taken from the floor of the meeting.

BALLOT FOR THE VACANT POSITIONS ON THE BOARD OF DIRECTORS

Under the Triennial Rule the position of Treasurer and 2 Directors are up for election.

PRESIDENT'S REPORT

I present this report for 2016-2017 on behalf of the Board of Directors. As I have done in past reports, I once again emphasize the governance role of the Board in following Club policy, and the importance of strategic planning. Management maintain overall responsibility for operational aspects of the club's daily and ongoing functions. All operations are directly linked to strategic targets set by the Board.

It should be noted here that the objective separation of the roles between operational management and strategic planning during the past 12 months was quite difficult. This came about as a result of the transition of responsibility for Catering to the Club with the attendant impact on staffing roles, along with external judicial circumstances beyond the Club also impacting on staff. Directors were required to adjudicate more than would normally be the case, as those areas impacted on operations. Throughout last year the Board has valued the role played by our General Manager Scott Armstrong, who took over the position last November. His experience in large, successful golf clubs and resort management training have been invaluable in working through many of our

challenges, and his background as a qualified Chef has guided the transition to Club Catering with the assistance of Chef Daniel McGill. I would also strongly commend the valuable role played by Mrs Alison Devries as Club Financial Officer.

All Directors meet requirements for recognition of governance credentials under the Registered Clubs Act. The Club's Strategic Plan for 2015-2017 will be revisited at the end of this year, and all major objectives and strategies analysed and assessed. They have focussed on increasing revenue levels and maintaining manageable debt levels at the same time. They also include the effective use of technology, risk management, and ensuring funding for future capital requirements and expansion. There are four sub-committees which meet monthly. These are Greens, Match, Finance and House. Each sub-committee has a stated set of strategies under each of the major objectives.

Under the Triennial system this year, the position of Treasurer along with two Directors become eligible for re-election. I would like to acknowledge the input of David Newman as Treasurer, as well as long serving Vice-President Garry Craig, and Wes Bourne, who filled the one-year tenure from last year's election.

While I will leave the financial reporting to the Treasurer, I will note that even with an audited loss for 2016-2017, the cash position remained healthy. Advice from our bank reinforced our assessment that there would be no need to pursue a loan for the implementation of planned refurbishing within the Club, because of strong equity built up within our current arrangement. Course revenue remains consistent as expected, while bar sales and gaming saw a decrease.

The Catering initiative has required a review of management structures, especially as it involved the development of dual roles for many staff. Purchasing procedures have been reviewed, along with all cash handling policies and practice. There are new guidelines for the employment of staff, and CCTV policy and procedure has been overhauled, as would be expected. Our overall understanding of the ongoing importance of catering to the club was reinforced by our attendance at a CDI seminar which outlined best practice initiatives for clubs across the state.

At the end of the 2016-2017 period our total club membership was 8,963. There were 1,085 Full Playing and 131 Limited Playing rights. There were 7,747 Social members. Both Men and Ladies are counted under Full Playing. The Tyro's category continues to flourish, while Cadets and Juniors are also well supported by the Club. Michael Lamaro and Peter Sliwinski strongly promote all Junior events, and our Professional Staff member Peter Cliff provides coaching clinics and guidance to further expand the game through the Cadets. There is an ongoing commitment to these targets. The Club celebrated our success in running the NSW One Day Pro-Am of the Year, and the driving force behind this success was our Club Pro Jason Hart. The Club is indeed fortunate to have Jason at the helm, and we also welcomed our first lady professional to the staff when Cathy Stolz joined the Pro Shop team.

The golf course continues to be recognized for its quality, and this was highlighted during the running of the NSW JNJGF event which attracted competitors from interstate and overseas. We do in fact have a remarkable course on an iconic site and are very well served by dedicated and experienced staff led by Course Superintendent Andrew Banning. The other main factor is the availability of additional resources and capital equipment, which needs to be balanced against Clubhouse priorities as the other source of our income streams. I would mention here that the Club successfully applied through the Community Building Partnerships for a grant to build new practice nets for Members, and this is currently being planned by the Greens Committee.

I noted in last year's report that the Board recognized the need for further expansion and development, and that a project management firm had provided preliminary presentations from several architectural companies as the basis for ideas. There was a subsequent approach from a development group which gained the attention of the Board for a considerable part of this year. It is the role of the Board to evaluate such proposals and determine the way forward in the best interests of the Club. Directors have gained valuable experience in dealing with the aspects of development and requirements under the Registered Clubs Act. It is also clearly a slow process and one needing careful evaluation before being presented to Members for consideration. This would be an expectation of Members. The Board is not rushing any decision in exploring other options. We remain aware of the iconic status of our site and the incredible potential of the location, coupled with a passionate commitment to retaining outright ownership of the land. Members should be aware that there is ongoing keen interest in the location, as would be expected.

So at the start of any financial year, a number of challenges and tasks lay ahead. After the November elections the new Board will be required to set the Strategic Plan for 2018-2020 at the outset of its term, and this will be the cornerstone of all initiatives going forward. Maximizing the benefits of the catering initiative will be important and this will go hand in hand with the soft refurbishment. The Board will need to remain cognizant of its governance role and focus on the benefits of all major decisions being for all members. Course improvement and irrigation remain at the forefront, as golfers would anticipate. Member contribution in any debate or decision-making process is valued, as has been the case.

On behalf of the Board I extend our sincere condolences to all members who have lost family and friends in the past year, and we wish a speedy recovery to all those suffering ill health. I will specifically include past Treasurer and keen golfer Brad Sullivan in those best wishes. The Club continues to play our most important role as we support all members.

Good golfing, good health to all.
Allan Arkins

GENERAL MANAGER'S REPORT

Having commenced in the role in late November 2016 and post a period of assessment, there were a number of items that needed attention and review. Competitor Clubs have undergone renovation and have improved their food offering and gaming areas. Shelly Beach Golf Club was starting to see a reduction in its clientele. With Board consultation and agreement, necessary changes were planned to ensure our wonderful Club remains competitive in this environment.

There had also been some very unsettling times amongst key staff members with an ongoing investigation by the Police. There had also recently been a robbery in the Club that was being investigated. The Board agreed to contract an independent third party to assist with these human resource challenges, to support staff and the Club. H and R Workplace Strategies specialise in Employment Law and Club operations. They have provided valuable support to the Club during the year. Unfortunately, due to these historical issues the Club's workers compensation insurance premium has seen an increase this year and is now in excess of \$130,000 per annum. This liability will remain for the next three years providing an additional challenge to our financial operations.

With the decision being made to bring the catering operation back in-house, recruitment commenced and a review of roles and responsibilities was undertaken to ensure a successful transition. I would like to take this opportunity to personally thank Andrew Johnson and Essence Catering during this time. Andy was very approachable, understanding and provided assistance in a positive and professional manner. This made for a very smooth transition.

There were some roles in the Club that were reviewed as part of this transition. The staff involved were offered alternative opportunities within the structure of the Club. As these opportunities were not suitable to those concerned, the Club agreed to the requests for voluntary redundancies.

As we have now been operating the catering for a period of four months, we are continuing to review our operation based on customer feedback and preparing for the busy summer period. Moving the dining area to the Grace room to enjoy the ocean views has been very well received. We continue to operate functions including weddings, as renovations are completed later this year, this will give the Club an additional competitive advantage along with the view. Thank you to Daniel Magill our Executive Chef for his efforts.

Stephanie Vidler joined the team earlier this year as the Functions and Events Manager and has taken to the role in a positive and proactive manner. One of the Club's previous employees returned for a short period to assist us whilst we were recruiting Stephanie. I would like to make special mention to thank Loralie Said. "Loz" kept the wheels in motion in a calm and professional manner. Function operations were reviewed to ensure events are profitable and advantageous for the Club. We will continue to work in this space for other opportunities.

In early February Atomic Fencing owned by Member Matt Jones successfully won the tender to replace the Southern Boundary fence on the golf course. The Club used the insurance money from previous storm damage for this project with a welcome contribution from the adjacent caravan park. I am sure you will agree the fence looks great. Well done Matt.

The installation of additional water supply to the 6th hole has seen a dramatic improvement in the fairway quality. As our fairway watering system is not adequate for the demands of our course, we have made some small and cost-effective changes to problem areas such as this to improve the standard of the course.

The affectionately named Gaza strip located on the right-hand side of the 5th hole, is nearing completion. Andrew Banning our course superintendent enjoyed the support of local company EC Pools who provided fill and the shaping of the area at no charge. Once established this area will be back in play. There have been remedial works done on the entry and exit to the car park. Management and the Board are aware the carpark is an issue for review and this will be addressed when time and funds become available. We will soon have new practise nets installed that have been funded by a government grant and there have been a number of small problem areas on the course that have been fixed in consultation with our enthusiastic Greens committee. Special mention to our Volunteers who have assisted the Greenkeeping team this year. Thank you.

A new contract with Lion Nathan commenced on the 1st of October which sees the club receive a dramatically improved rebate on our beer purchases and further assistance with promotional activities for the Members to enjoy. We will be able to hold our pricing through the next CPI increase which I am sure a large number of the Members will be pleased to hear.

Our immediate focus is on the soft refurbishment of the Clubhouse internals. As part of the tender process we will endeavour to use suitable contractors from our Membership for the project. HC Group based in Sydney will be the main supplier in this regard and I would like to thank those members of the Board who assisted in the selection process and consultation on the design. This will include carpet, furniture, painting, lighting, noise reduction ceiling and some partitions and planter boxes. The design looks fantastic and we look forward to its implementation.

In summary, it has been a challenging year for the Club and those involved. I would like to thank the Board for their support. I would also like to thank Alison Devries our Accountant, for her assistance on many things along with accounts. Jason Hart, Andrew Banning for their hard work with all things Golf and the rest of the Shelly Beach Golf Club staff for all their hard work throughout the year. A special mention to Peter Sliwinski for his efforts not only as Captain, also for his efforts on a number of special projects that required a large amount of time and effort outside normal duties. I would also like to mention our President Allan Arkins for his efforts, professional and patient approach through some difficult times over recent years. My interaction with the President and the Board over the last ten months has always been for the benefit of the majority and the best interest of our Club.

I wish all the Members health and happiness as we approach the festive season. May your swing be smooth and the bounce of the ball favourable.

Regards

Scott Armstrong
General Manager

TREASURER'S REPORT

The Golf Club reported an audited financial loss of \$198,371 for the financial year ending June 30 2017. Two key differentials on last year's report were the sale of the vacant land in the 2015/ 2016 financial year, which equated to a \$215K profit into the P and L and an insurance claim of \$47K for storm damage incurred in April 2015.

In this financial year there was an increase in cost of goods of \$40K, an increase in insurance of \$39K and depreciation increased by \$72K. Our General Manager commenced in late November 2016 after a period of approximately 12 months where our Accountant was acting in the capacity. This saw an increase in cost to our administration this year however total employee benefits were approximately \$7k less than the previous year.

As catering came in house there was a set up cost of \$19,390 and trading commenced on the 1st of June. We look forward to seeing the benefits of this business coming back inhouse. Due to these changes there was a restructure of the business both to decrease our overhead and ensure responsibilities of key staff were in line with the changes to the operation.

Total revenue was down \$440,553 on the previous year, once you take into account the two items mentioned above the difference was \$178,553. Our poker machines over the last 12 months have seen a significant decline with the Clubs net return down \$123,289. The Club had \$576,529 cash at bank at year end.

I would like to thank our Financial Officer, Alison Devries and her staff for all her help and support over the years. My thanks also to Scott Armstrong for his support and management abilities.

Management are currently focusing on the soft refurbishment of the Club House to attract customers back to increase revenue and the enjoyment of Members and their guests. Our gaming income has decreased with people now having many online options both from their homes and mobile phones. Slowly changes are happening and your patience and positive support is required for this to succeed. This is your Club, totally, you own it, you reap the benefits from it. Please enjoy it and support it.

David Newman
Treasurer