



SHELLY BEACH GOLF CLUB

Annual Report

2017-2018



OFFICE BEARERS 2017 -18

PRESIDENT

A. Arkins

VICE PRESIDENT

G. Craig

CAPTAIN

P. Sliwinski

VICE CAPTAIN

M. Lamaro

TREASURER

D. Newman

DIRECTORS

B. Cummins

A. White

D. Fletcher

T. McSweeny

GENERAL MANAGER

S. Armstrong

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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 Monday the 19th of November 2018 at 6.30pm for a 7pm commencement in the Club's premises at Shelly Beach Road, Shelly Beach NSW 2261.

AGENDA

1. Apologies
2. To confirm the minutes of the 2016-2017 Annual General Meeting
3. To consider the:
 - a. Directors' Report;
 - b. Financial Report; and
 - c. Auditor's Report
4. To consider and if thought fit pass an Ordinary Resolution set out in this Notice.
5. To consider and if thought fit pass the Special Resolution set out in this Notice.
6. To declare the results of the election of Office Bearers for the ensuing year.
7. To deal with any other business which may be dealt with consistent with the Clubs constitution.

ORDINARY RESOLUTION

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 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*

SPECIAL RESOLUTION

That the Constitution of Tuggerah Lakes Golf Club Limited ACN 001071905 (Club) be amended as follows:

- *By amending Rule 2 as follows:*
 - *By deleting the second sentence of the definition of "The Act";*
 - *By deleting the definition of "By Laws" in its entirety and inserting the following new definition instead:*
"By Laws" shall mean the By Laws made by the Board in accordance with this Constitution.
 - *By inserting the following new definition of "Code":*
"Code" means the Registered Clubs Accountability Code contained in Schedule 2 to the Registered Clubs Regulation 2015. Any reference to a provision of the Code includes a reference to the same or similar provision in any code or other legislation replacing, amending or modifying the Code however that provision may be amended in that code or legislation.
 - *By inserting the following new definition of "the Gaming Machines Act":*
"the Gaming Machines Act" means the Gaming Machines Act 2001 and any regulation made under the Gaming Machines Act 2001. Any reference to a provision of the Gaming Machines Act includes a reference to the same or similar provision in any legislation replacing, amending or modifying the Gaming Machines Act however that provision may be amended in that legislation.
 - *By amending the words "Ordinary resolution" to "Ordinary Resolution".*
 - *By inserting the following new definition of "Special Resolution":*
"Special Resolution" has the meaning assigned thereto by the Act. To be passed, a Special Resolution must receive at least seventy five per cent (75%) of the votes cast by members eligible to vote on the Special Resolution.
 - *By inserting a new sub-rule (b) relating to the definition of "financial member" as follows:*
(b) **"financial member"**. A member shall not be a financial member of the Club if:
 - (i) the member's subscription or any part thereof has not been paid in accordance with Rule 33; or
 - (ii) any money (other than a member's subscription) owing by that member to the Club has remained unpaid at the expiration of fourteen (14) days from service on that member of a notice from the Club requiring payment thereof; and

in either case that member shall be and remain non-financial for the purposes of Rule 38 until:

- (iii) the full amount owing is paid to the Club; or*
 - (iv) the member ceases to be a member and their name is removed from the register of members in accordance with Rule 24D.*
 - o by amending the current Rule 2(b) to be Rule 2(c).*
- By deleting existing Rule 7 and inserting instead the following new Rules 7 to 14 and renumbering the existing Rules in proper numerical order:*
 - 7. Subject to Rule 8 nothing in this Constitution shall prevent the payment:*
 - (a) in good faith of reasonable and proper remuneration to any employed officer or other employee of the Club; or*
 - (b) in good faith of reasonable and proper remuneration to any member of the Club in return for services actually rendered;*
 - (c) of interest at a rate not exceeding interest at the rate for the time being charged by bankers in Sydney for overdrawn accounts on money lent by a member to the Club;*
 - (d) of reasonable and proper rent for premises demised or let by any member to the Club.*
 - 8. A director shall not receive from the Club remuneration or other benefit in money or monies worth in respect of his or her duties except by way of:*
 - (a) an honorarium in accordance with Section 10(6)(b) of the Registered Clubs Act; or*
 - (b) repayment of out of pocket expenses in accordance with Section 10(6) (d) of the Registered Clubs Act.*
 - (c)*

LIQUOR AND GAMING

- 9. Liquor shall not be sold, supplied or disposed of on the premises of the Club to any person other than a member except on the invitation and in the company of a member. This Rule 9.1 does not apply in respect of the sale, supply or disposal of liquor to any person at a function in respect of which an authority is granted to the Club under Section 23(1) of the Registered Clubs Act.*
- 10. Liquor shall not be sold, supplied or disposed of on the premises of the Club to any person under the age of 18 years.*
- 11. A person under the age of 18 years shall not use or operate the gaming facilities of the Club.*
- 12. The Chief Executive Officer or Manager, or any employee, or a member of the Board or of any committee, of the club shall not be entitled, under the rules of the club or otherwise, to receive, directly or indirectly, any payment calculated by reference to the quantity of liquor purchased, supplied, sold or disposed of by the club or the receipts of the Club for any liquor supplied or disposed of by the Club.*
- 13. Subject to Section 73(2)(b) of the Gaming Machines Act, the Club shall not share any receipts arising from the operation of an approved gaming machine kept by the Club and shall not make any payment or part payment by way of commission or an allowance from or on any such receipts.*
- 14. Subject to Section 74(2) of the Gaming Machines Act, the Club shall not grant any interest in an approved gaming machine kept by the Club to any other person.*
- By deleting existing Rule 9 in its entirety and inserting instead the following new Rule 9:*
 - 9. (a) Subject to the provisions of this Constitution and any applicable provisions of the Act, Membership will be under the control of the Board.*
 - (b) The number of members of the Club shall be as determined by the Board and shall not be less than the minimum number permissible under the Registered Clubs Act.*
 - (c) Unless and until otherwise determined by the Board, the Full membership of the Club shall comprise the following categories:*
 - (i) Ordinary members; and*
 - (ii) Life members.*
 - (d) Persons who are not Full members may, in accordance with this Constitution be admitted to the Club as:*
 - (i) Provisional members;*
 - (ii) Honorary members; and*
 - (iii) Temporary members.*
- By amending existing Rule 10 by:*
 - o deleting the word "Membership" and inserting the words "Ordinary membership".*
 - o deleting the words "Honorary Members" and "Temporary Social Members".*
- By deleting existing Rules 11(n) and (o) and renumbering the remainder of Rule 11 in proper alphanumerical order.*
- By amending existing Rule 12 by:*
 - o deleting from paragraph (c) the words "three (3) years" and inserting instead the words "fifteen (15) months".*
 - o deleting paragraph (i) in its entirety.*
 - o by deleting paragraph (j) in its entirety and inserting instead the following new paragraph (j):*

Tyros members have the right to use the golf course facilities and the facilities of the clubhouse in accordance with the By Laws. They have the right to vote for the election of the Board but may not be a candidate for a Director of the Club, attend and vote at general meetings
- by inserting a new Rule 20 as follows:*

HONORARY MEMBERS AND TEMPORARY MEMBERS

20. The requirements for eligibility of persons for admission to the Club as Honorary members and Temporary members together with the rights of Honorary members and Temporary members shall be as follows:

(a) Honorary Members

- (i) The following persons may be made Honorary members of the Club in accordance with procedures established by the Board from time to time:
 - (A) the patron or patrons for the time being of the Club.
 - (B) any prominent citizen or local dignitary visiting the Club.
- (ii) Honorary members shall not be entitled to attend or vote at any meeting of the Club, to nominate or be elected to the Board or any office of the Club, vote in the election of the Board, propose, second or nominate any eligible member for any office of the Club, propose, second, or nominate any person for membership of the Club, propose, second or nominate any eligible member for Life membership or to participate in the management, business and affairs of the Club in any way.
- (iii) Honorary members may be relieved of any obligation or liability with respect to the payment of entrance fees and/or subscriptions.
- (iv) The Board shall have the power to cancel the membership of any Honorary member without notice and without being required to give any reason.

(b) Temporary Social Members

- (i) The following persons in accordance with the procedures established by the Board may be made Temporary members of the Club:
 - (A) A person whose permanent place of residence in New South Wales is more than five (5) kilometres from the Club or such greater distance as may be determined from time to time, by the Board, by By-law pursuant to this Constitution.
 - (B) Full Members (as defined in the Registered Clubs Act) of other clubs which are registered under the Registered Clubs Act and which have objects similar to those of the Club.
 - (C) A Full Member (as defined in the Registered Clubs Act) of any registered club who, at the invitation of the Board of the Club or a Full member of the Club, attends on any day at the premises of the Club for the purpose of participating in an organized sport or competition to be conducted by the Club on that day from the time on that day when the member so attends the premises of the Club until the end of the day.
 - (D) An interstate or overseas visitor.
- (ii) Temporary members shall not be required to pay an entrance fee or annual subscription.
- (iii) Temporary members shall not be entitled to attend or vote at any meeting of the Club, to nominate or be elected to the Board or any office of the Club, vote in the election of the Board, propose, second or nominate any eligible member for any office of the Club, propose, second, or nominate any person for membership of the Club, propose, second or nominate any eligible member for Life membership or to participate in the management, business and affairs of the Club in any way.
- (iv) Temporary members shall not be permitted to introduce guests into the Club. The General Manager may terminate the membership of any Temporary member at any time without notice and without having to provide any reasons.
- (v) No person under the age of eighteen (18) years may be admitted as a temporary member.
- (vi) When a Temporary member first enters the Club premises on any day the following particulars shall be entered in the Club's Register of Temporary members:-
 - (A) the name in full of the Temporary member.
 - (B) the residential address of the Temporary member.
 - (C) the date on which Temporary membership is granted
 - (D) the signature of the Temporary member.

- By inserting a new Rules 21, 22, 23 and 24 as follows:

PROVISIONAL MEMBERS

21. A person in respect of whom:

- (a) a nomination form for membership duly completed in accordance with this Constitution has been given to the Club; and
- (b) who has paid to the Club the joining fee (if any) and the subscription appropriate to the class of membership referred to in the nomination form,
- (c) may be granted Provisional membership of the Club while awaiting the decision of the Board in relation to that person's application for membership of the Club.

22. Should a person who is admitted as a Provisional member not be elected to membership of the Club within six (6) weeks from the date of the nomination form being given to the Secretary or should that person's application for membership be refused (whichever is the sooner):
 - (a) that person shall cease to be a Provisional member of the Club; and
 - (d) the joining fee (if any) and subscription submitted with the nomination shall be returned to that person.
23. Provisional members are entitled to:
 - (a) such social privileges and advantages of the Club as the Board may determine from time to time; and
 - (b) introduce guests into the Club if the Provisional member is an applicant for a class of membership which is permitted to do so.
24. Provisional members are not entitled to:
 - (a) attend or vote at general meetings of the Club; or
 - (b) nominate for or be elected to hold office on the Board;
 - (c) vote in the election of the Board;
 - (d) vote on any Special Resolution (including a Special Resolution to amend this Constitution);
 - (e) propose, second, or nominate any eligible member for any office of the Club;
 - (f) propose, second, or nominate any person for membership of the Club; or
 - (g) propose, second or nominate any eligible member for Life membership.
- By deleting existing Rule 13 and inserting the following new Rule 13:
A person shall not be admitted as a Full member of the Club, unless that person is elected to membership at a meeting of the Board of the Club or duly appointed election committee of the Club.
- By amending existing Rule 19 by deleting the word "thereof" and inserting instead the words "of subscriptions".
- By inserting the following new Rules 37 and 38:
 37. Any person who has not paid his or her subscription, or any charge or levy specified by the Board, within 30 days of the due date may, by resolution of the Board, be removed from membership of the Club in which case the provisions of Rule 24D shall not apply.
 38. Notwithstanding any Rule contained in this Constitution, any member who is not a financial member (as defined in Rule 2(b)) shall not be entitled to:
 - (a) attend at the premises or use any of the facilities of the Club for any purpose without the permission of the Board; or
 - (b) participate in any of the recreational, social or sporting activities of the Club or any Sub club without the permission of the Board;
 - (c) attend or vote at any meeting of the Club or any Sub club;
 - (d) nominate or be elected or appointed to the Board or any committee of a Sub club;
 - (e) vote in the election of the Board or any committee of a Sub club;
 - (f) propose, second or nominate any eligible member for any office of the Club or any Sub club;
 - (g) propose, second or nominate any eligible member for Life membership.
- By deleting existing Rule 24E in its entirety and inserting instead the following new Rule 24E:
 - 24E (a) In addition to any powers under Section 77 of the Liquor Act, the General Manager of the Club or in the General Manager's absence the senior employee of the Club then on duty ("the senior employee") shall have the power forthwith to refuse to admit to the Club and may turn out, or cause to be turned out of the premises of the Club any person including any member:
 - (i) who is then intoxicated, violent, quarrelsome or disorderly; or
 - (ii) who, for the purposes of prostitution, engages or uses any part of the premises of the Club;
 - (iii) whose presence on the premises of the Club renders the Club or the Secretary liable to a penalty under the Registered Clubs Act or the Liquor Act;
 - (iv) who hawks, peddles or sells any goods on the premises of the Club;
 - (v) who, within the meaning of the Smoke-free Environment Act, smokes while on any part of the premises that is smoke-free.
 - (vi) who uses, or has in his or her possession, while on the premises of the Club any substance that the Secretary suspects of being a prohibited drug or prohibited plant.
 - (vii) whom the Club, under the conditions of its club licence, or a term of a liquor accord, is authorised or required to refuse access to the Club.
 - (viii) who engages in damaging any of the Club's property.
 - (ix) who uses obscene or objectionable language within the Club or within the vicinity of the Club.
 - (x) who refuses to comply with a reasonable and lawful request or instruction of an employee of the Club.
 - (b) The General Manager or the senior employee of the Club who has exercised the power referred to in paragraph (a) of this Rule shall make a written report to the Board within seven (7) days of the date of the removal. The report will set out the facts, matters and circumstances giving rise to the removal.
 - (c) If pursuant to Rule 24E(a) a person (including a member) has been refused admission to, or has been turned out of, the premises of the Club, the Secretary of the Club or (subject to Rule 24E(f)) an employee of the Club, may at any subsequent time, refuse to admit that person into the premises of the Club or may turn the person out, or cause the person to be turned out of the premises of the Club.

- (d) Without limiting Rule 24E(c), if a person has been refused admission to or turned out of the Club in accordance with Rule 24E(a)(i), the person must not re-enter or attempt to re-enter the Club within twenty four (24) hours of being refused admission or being turned out.
- (e) Without limiting Rule 24E(c), if a person has been refused admission to or turned out of the Club in accordance with Rule 24E(a)(i), the person must not:
 - (i) remain in the vicinity of the Club; or
 - (ii) re-enter the vicinity of the Club within six (6) hours of being refused admission or being turned out.
- (f) Without limiting the provisions of Section 77 of the Liquor Act the employees who under this Constitution are entitled to exercise the powers set out in this Rule shall be:
 - (i) in the absence of the Secretary from the premises of the Club the senior employee then on duty; or
 - (ii) any employee authorised by the Secretary to exercise such power.
- (g) The rules of natural justice shall not apply in relation to the exercise of the power referred to in this Rule.
- By inserting new Rules 45 and 46 as follows:

MEMBER UNDER SUSPENSION

45. Any member whose membership is suspended pursuant to Rules 24D or 24E shall during the period of such suspension not be entitled to:
- (a) attend at the premises or use any of the facilities of the Club for any purpose without the permission of the Board; or
 - (b) participate in any of the recreational, social or sporting activities of the Club or any Sub club without the permission of the Board;
 - (c) attend or vote at any meeting of the Club or any Sub club;
 - (d) nominate or be elected or appointed to the Board or any committee of a Sub club;
 - (e) vote in the election of the Board or any committee of a Sub club;
 - (f) propose, second or nominate any eligible member for any office of the Club or any Sub club;
 - (g) propose, second or nominate any eligible member for Life membership.

RESIGNATION AND CESSATION OF MEMBERSHIP

46. (a) A member may at any time resign from his or her membership of the Club by either:
- (i) giving notice in writing to the Secretary; or
 - (ii) returning his or her membership card to an officer of the Club and clearly indicating to the officer that he or she no longer wishes to be a member of the Club or resigns from membership.
- (b) A resignation pursuant to Rule 24G(a) shall take effect from the date on which the notice is received by the Secretary or the date on which the membership card is received by the officer of the Club.
- (c) Any member who has resigned pursuant to 24G(a) will not be entitled to any refund of any joining fee, subscription, levy or other payment made to the Club.
- By deleting existing Rules 31 and 32 in their entirety and inserting instead the following new Rules 31 to 34:
 - 31. If insufficient nominations be received for any offices, the candidate or candidates, if any, nominated shall be declared elected at the Annual General Meeting and any vacancies then remaining shall be regarded as casual vacancies for the purpose of Rules 68 and 69.
 - 32. If the number of candidates nominated shall exceed the number required to be elected, a ballot shall be taken in such manner as determined by the Board by By-law, which may include an electronic or digital ballot.
 - 33. The ballot shall be counted by a Returning Officer and scrutineers appointed by the Board. A candidate for any position shall not be appointed as Returning Officer or as a scrutineer.
 - By inserting new Rules 60 to 64 as follows:

MANDATORY TRAINING FOR DIRECTORS

60. A member of the Club who becomes a Director of the Club after 1 July, 2013, must, in accordance with the Registered Clubs Regulation 2009, complete such training as may be prescribed by the Regulation, within twelve (12) months of becoming a member of the Board. In relation to Directors of the Club who, as at 1 July 2013, were already Directors:
- (a) at least 50% of the existing Directors must complete the required training by 30 June 2016,
 - (b) all remaining Directors must complete the required training by 30 June 2018.
 - (c) The Board may, from time to time, resolve to require all or some directors to undertake specific courses of instruction.
 - (d) The required training or any other course of instruction for Directors for the purposes of this Rule 51 shall be at the expense of the Club.
 - (e) A Director who fails to comply with this Rule 51 will cease to be a director in accordance with Rule 58.

DECLARATIONS OF INTERESTS BY DIRECTORS

61. (a) Any director who has
- (i) a material personal interest in a matter that relates to the affairs of the Club;
 - (ii) any personal or financial interest in a contract relating to the procurement of goods or services or any major capital works of the Club;
 - (iii) any financial interest in a hotel situated within 40 kilometres of the Club's premises; or
 - (iv) received any gift valued at \$1,000 or more, or any remuneration of an amount of \$1,000 or more, from an affiliated body of the Club or from a person or body that has entered into a contract with the Club, must, within 21 days after the relevant facts have come to the director's knowledge and in accordance with clause 8 of the Code:
 - (v) disclose the relevant facts to the Secretary of the Club;
 - (vi) declare the relevant facts and nature of the interest at a meeting of the Board; and
 - (vii) in respect of any facts or interest referred to in Rule 61(a)(i) and (ii) comply with Rule (62).
- (b) A director must, if required by the Secretary of the Club, submit a written return in each year to the Club declaring any of the matters referred to in Rule 61.

PROHIBITION ON DIRECTORS WITH MATERIAL INTEREST FROM VOTING

62. Subject to Section 195 of the Corporations Act, a director who has a material personal interest in a matter that is being considered at a meeting of the Board, or of the Directors of the Club
- (i) must not vote on the matter; and
 - (ii) must not be present while the matter is being considered at the meeting.

CONTRACTS WITH DIRECTORS

63. (a) In accordance with clause 4 of the Code, the Club must not enter into a commercial arrangement or a contract with a director or top executive of a Club or with a company or other body in which a director or top executive has a pecuniary interest, unless the proposed commercial arrangement or contract is first approved by the Board. A "top executive" has the same meaning as defined in the Code.
- (b) A "pecuniary interest" in a company for the purposes of Rule 63(a) means:
- (i) in the case of a company that supplies liquor or gaming machines to the Club—the person has any shareholding interest in the company, or
 - (ii) in the case of any other company—the person has a shareholding of more than 5% in the company.

CONTRACTS WITH SECRETARY

64. (a) Subject to Rule 64(b), the Club must not enter into a commercial arrangement or contract for the provision of goods or services with
- (i) any close relative (as defined in the Registered Clubs Act and the Code) of the Secretary or a manager of the Club; or
 - (ii) any company or other body in which the Secretary or a close relative of the Secretary has a controlling interest (as defined in the Registered Clubs Act and the Code).
- (b) Rule 64(a) does not prevent the Club entering into a contract with any of the above persons which is:
- (i) a contract of employment; or
 - (ii) results from an open tender process.
- (c) A person has a "controlling interest" for the purpose of Rule 64(a) in a company or body if the person has the capacity to determine the outcome of decisions about the financial and operating policies of the company or body.
- By deleting existing Rule 37 in its entirety and inserting instead the following new Rule 37:

37. The office of President, Captain, Treasurer and Ordinary Board member shall forthwith be vacated:-

 - (a) If that person is suspended from membership in accordance with Rules 24D or 24E.
 - (b) If that person becomes insolvent under administration or is convicted of an offence on indictment.
 - (c) If that person becomes of unsound mind or a person whose person or estate is liable to be dealt within any way under the law relating to mental health.
 - (d) If that person fails to disclose in accordance with the Act or the Code the nature of any material personal interest in a matter that relates to the affairs of the Club.
 - (e) If that person is absent from Meetings of the Board for a continuous period of three (3) calendar months without leave of absence from the Board.
 - (f) If by notice in writing given to the Chief Executive Officer that person resigns from office.
 - (g) If that person becomes prohibited from being a member of the Board by reason of any order or declaration made under the Act, the Registered Clubs Act or the Liquor Act.
 - (h) If that person ceases to be a member of the Club
 - (i) has been assessed by a management liability underwriter and a loading on premium has been imposed or a higher than usual excess has been imposed in respect of that person.
 - (j) If that person or persons are removed by ordinary resolution at a General Meeting.
 - (k) If that person is elected to the Board of Directors of any other golf club
 - By deleting existing Rule 38 in its entirety and inserting instead the following new Rule 38:

- 38. *The continuing directors on the Board may act notwithstanding any vacancy on the Board, but if and so long as their number is reduced below the number fixed by this Constitution as the necessary quorum of the Board, the continuing director or directors may act for the purpose of increasing the number of directors on the Board to that number or of summoning a general meeting of the Club, but for no other purpose.*
- *By deleting from existing Rule 42 the word “twice” and inserting instead the word “once”.*
- *By deleting existing Rules 56 and 57 in their entirety and inserting instead the following new Rule 56:*
 56. *The business of any Annual General Meeting shall be to receive and consider the Reports described in Rule 100 and to elect in the manner hereinbefore provided, the members of the Board and subject to the Act to appoint an Auditor or Auditors.*
- *Delete from existing Rule 59 the words “fifty (50) members” and insert instead the words “thirty (30) members”.*
- *Delete existing Rule 71 in its entirety and insert instead the following new Rules 71 and 72:*
 71. *The Board shall, not less than twenty one (21) days before each Annual General Meeting and in any event within four (4) months of the end of the financial year of the Club, report to members in accordance with Part 2M.3 of the Corporations Act.*
 72. *In accordance with Section 317 of the Corporations Act, the Board shall lay before the Annual General Meeting in respect of the financial year ending on the last day of June immediately prior to the Annual General Meeting:*
 (a) *the financial report of the Club; and*
 (b) *the directors' report;*
 (c) *the auditors' report on the financial report.*
- *Delete from existing Rule 74 the word “he” and insert instead the words “the Chief Executive Officer”.*
- *Delete existing Rules 79 and 80 and insert instead the following new Rule 79 to 83:*

NOTICES

- 79. *A notice of a general meeting (including the Annual General Meeting) of the Club may be given by the Club:*
 (a) *by displaying a notice on the Club Notice Board;*
 (b) *by displaying a notice on the Club’s website;*
 (c) *by sending it to the electronic address (if any) nominated by the member; or*
 (d) *by sending a notification to the electronic address (if any) nominated by the member advising the member that the notice of meeting is available and how the member can access the notice of meeting.*
- 80. *Any notice (other than a notice referred to in Rule 109) may be given by the Club to any member either:*
 (a) *by displaying a notice on the Club Notice Board;*
 (b) *by displaying a notice on the Club’s website;*
 (c) *personally;*
 (d) *by sending it by post to the address of the member recorded for that member in the Register of Members kept pursuant to this Constitution; or*
 (e) *by sending it to the electronic address (if any) nominated by the member.*
- 81. *Where a notice is sent by post to a member in accordance with Rule 110 the notice shall be deemed to have been received by the members:*
 (a) *in the case of a notice convening a meeting, on the day following that on which the notice was posted; and*
 (b) *in any other case, at the time at which the notice would have been delivered in the ordinary course of post.*
- 82. *Where a notice is sent by electronic means, the notice is taken to have been given on the day following that on which it was sent.*
- 83. *Where a notice is given by displaying a notice on the Club Notice Board or by displaying a notice on the Club’s website, the notice is taken to have been given on the day on which it was displayed.*
- *By making amendments to Rule 82 to reflect the amendments contained in this Special Resolution.*
- *By renumbering all Rules into proper numerical order and by making such other amendments necessary to ensure the cross referencing of Rules, paragraph numbers and other matters are properly formatted to give full force and effect to the matters addressed in this Special Resolution.*

Explanatory Message to Members regarding the proposed Ordinary Resolution

Section 10(1)(i) and (j) of the Registered Clubs Act 1976 prohibits the Club from offering a benefit or advantage to any member (including a director) unless it is offered equally to all members of the Club.

Section 10(6A)(b) of the Registered Clubs Act 1976 allows a member to receive a benefit if the benefit conferred is not in the form of money (ie is in the form of meals, drinks, and other non-monetary benefits) and those benefits are approved by an ordinary resolution of the members of the Club in general meeting prior to the benefit being provided.

The Ordinary Resolution is proposed to have the members in general meeting approve, in accordance with section 10(6A)(b) of the Registered Clubs Act 1976, the reasonable expenditure by the Club in relation to the conferral of non-monetary benefits (detailed in the resolution) on directors and other members as specified in the resolution.

Explanatory Message to Members regarding the proposed Special Resolution

The Board of the Club instructed Eastern Commercial Lawyers to review the Club's current Constitution having regard to the significant changes to the law over recent years. Eastern Commercial Lawyers is a law firm specialising in licensed club law. Eastern Commercial Lawyers reviewed the current Constitution and recommended a significant number of amendments in order to reflect the requirements of the Corporations Act 2001, Registered Clubs Act 1976, Gaming Machines Act 2001 and the Liquor Act 2007 and industry best practice and standards.

Eastern Commercial Lawyers recommended the adoption of a number of new Rules and the amendment to a number of existing Rules within the Constitution to address various updates to the law over the last few years and to reflect what is generally regarded as industry best practice for licensed clubs.

Copies of the full text of the proposed new Constitution are available on the Club's website at www.shellybeachgolfclub.com.au for inspection at the Club's reception on request.

IMPORTANT NOTE: Members will notice that the order of Rule numbering in the proposed Special Resolution does not appear to be in proper numerical order. This is due to the addition of new Rules (Rules that do not exist in the current Constitution). Where the proposed Special resolution refers to an "existing Rule" that is a reference to an existing Rule number. Where the Special resolution simply refers to the addition of a "new Rule" that is a reference to the new Rule number attributable to that Rule should the Special resolution be adopted. In order to address any anomaly in Rule numbering and cross referencing, the final part of the Special Resolution permits amendment to address such issues.

Summary of proposed amendments to the Constitution

Existing Rule 2

The amendments to Rule 2 amends the definition of "the Act" and inserts new definitions to reflect legislative amendments, industry best practice and to ensure consistency of word usage within the Constitution.

New Rules 7 and 8

The amendments to Rule 7 reflect legislative amendments in the Registered Clubs Act.

New Rules 9 to 14

The amendments to Rules 9 to 14 are reflect legislative amendments in the Registered Clubs Act and the Gaming Machines Act.

Existing Rule 9

This Rule is amended to properly reflect the classes of Full membership of the Club and permits Provisional, Honorary and Temporary members.

Existing Rule 10

This Rule is amended by deleting Honorary and Temporary Social members as a class of Ordinary membership of the Club. This is to reflect the requirements of the Registered Clubs Act.

Existing Rule 11

Deletes the references to Honorary and Temporary Social members from the requirements for eligibility for election or admission to classes of membership. It is important to separate Honorary and Temporary members from Ordinary members of the Club.

Existing Rule 12

This Rule is amended to reduce the period of time within which Non-Playing Members must transfer back to the category of membership to which they belonged from three (3) years to fifteen (15) months after the date on which the member transferred to Non-Playing membership unless an extension is approved by the Board.

In addition, Tyros Members are afforded to the right to vote for the election of the Board but may not be a candidate for a Director of the Club, attend and vote at general meetings. This reflects the same rights as Social members of the Club.

New Rule 20

This Rule inserts provisions relating to Honorary and Temporary members and reflects the requirements of the Registered Clubs Act relating to those two groups.

New Rules 21 to 24

Rules 21 to 24 permit the Club to have Provisional members and set out the rights of Provisional members. Provisional members can be those persons who have made application for membership of the Club but have not been formally elected to membership by the Board. This Rule reflects the requirements of the Registered Clubs Act.

Existing Rule 13

This Rule permits a person to be elected to membership of the Club by the Board or a duly appointed election committee. This Rule reflects the requirements of the Registered Clubs Act.

Existing Rule 19

This Rule relates to the payment of subscriptions and the amendment simply replaces the word "thereof" with "of subscriptions". It is a simple grammatical amendment.

New Rules 37 and 38

Rule 37 provides that any person who has not paid his or her subscription, or any charge or levy specified by the Board, within 30 days of the due date may, by resolution of the Board, be removed from membership of the Club in which case the provisions of Rule 43 (Disciplinary Proceedings) shall not apply.

Rule 38 sets out the consequences of a member becoming non-financial (as defined in Rule 2(b)). This Rule is important to ensure that members are well aware of the impact on their rights and privileges of membership in the event they do not pay monies owing to the Club by the due date.

Existing Rule 24E

This Rule permits the Secretary of the Club or any employee of the Club to refuse to admit and turn out of the Club any person who falls within the categories specified in the Rule. This Rule reflects the requirements of the Liquor Act 2007 and also contains some additional circumstances in which members can be asked to leave the premises including damaging property, using objectionable or obscene language and disregarding an instruction of staff.

The Rule also places restrictions on the ability of a person who has been refused entry or removed from the Club, to attend the Club again. This Rule reflects the requirements of the Liquor Act.

New Rules 45 and 46

Rule 45 clearly sets out the impact on a member's rights if they are suspended from membership of the Club.

Rule 46 relates to the resignation of membership and sets out when a resignation will be effective and the consequences of resignation on a member's membership. It now includes that a member may at any time resign from his or her membership of the Club by returning his or her membership card to an officer of the Club and clearly indicating to the officer that he or she no longer wishes to be a member of the Club or resigns from membership.

Existing Rules 31 and 32

The amendment introduces new Rules 31 to 33 which relate to the election of directors and deem an insufficiency of nominations to be regarded as casual vacancies. It also splits existing Rules into two separate new Rules.

New Rules 61 - 64

Rule 61 introduces new provisions relating to the mandatory training of directors. This Rule reflects the requirements of the Registered Clubs Act 1976.

Rule 62 sets out the requirements and circumstances in which directors are required to make declarations of interests (such as material personal interests) in certain matters. The Rule reflects the requirements of the Corporations Act 2001, the Registered Clubs Act 1976 and the new Registered Clubs Accountability Code.

Rule 63 prohibits the Club from entering into any contract or commercial arrangement with a company in which a director has a pecuniary interest unless it is approved by the Board. The Rule reflects the requirements of the Registered Clubs Act 1976 and the new Registered Clubs Accountability Code.

Rule 64 prohibits the Club from entering into any contract or commercial arrangement with a close relative of the Secretary or a manager of the Club, or, any company in which the Secretary or any close relative of the Secretary has a controlling interest. This does not include a contract of employment or any other contract entered into by the Club as a result of an open tender process. The Rule reflects the requirements of the Registered Clubs Act 1976 and the Registered Clubs Accountability Code.

Existing Rule 37

This Rule is amended to set out the basis upon which a director's office on the Board will automatically be vacated. The Rule reflects the Corporations Act 2001 and the Registered Clubs Act 1976 and existing provisions of the Current Constitution.

Existing Rule 38

Rule 38 provides that if there are casual vacancies on the Board, the continuing directors on the Board may act notwithstanding such vacancy, but if and so long as their number is reduced below the number for a quorum, the continuing director or directors may act for the purpose of increasing the number of directors on the Board to that number or of summoning a general meeting of the Club, but for no other purpose. The Rule reflects the requirements of the Corporations Act 2001.

Existing Rule 42

Rule 42 is amended to require that the Board of the Club must meet at least once in every month. The Rule reflects the requirements of the Registered Clubs Act 1976.

Existing Rule 56

This Rule sets out that the business of any Annual General Meeting shall be to receive and consider the Reports described in Rule 100 and to elect in the manner hereinbefore provided, the members of the Board and subject to the Act to appoint an Auditor or Auditors. The Rule reflects the requirements set out in the Corporations Act 2001.

Existing Rule 59

This Rule is amended by deleting reducing the quorum for a general meeting of the Club from fifty (50) members to thirty (30) members. This is consistent with industry practice.

New Rules 71 and 72

These Rules relate to the Club's obligations relating to financial reporting to members. The Rules have been updated to comply with the requirements of the Corporations Act. The Club is required to report to members in accordance with Part 2M.3 of the Corporations Act. The Board is required to lay before the Annual General Meeting in respect of each financial year ending immediately prior to the Annual General Meeting:

- (a) the financial report of the Club; and
- (b) the directors' report;
- (c) the auditors' report on the financial report.

Existing Rule 75

The Rule is amended to make the language to gender neutral.

Existing Rules 79 and 83

Rules 79 and 80 relate to the provision of notice. The Rule has been amended as a result of amendments to the Corporations Act 2001. The Rules enable a notice to a member to be given either by displaying a notice on the Club Notice Board, by displaying a notice on the Club's website, personally, by post, or by sending to an electronic address (if any) nominated by a member. The reference to a notice includes a notice of general meeting or Annual General Meeting. The Rules also provide time frames within which notices are deemed to have been received. These time frames are necessary to allow the Club to give adequate notice to members.

Existing Rule 82

Existing Rule 82 sets out amendments to the Constitution. It is proposed to amend the table to incorporate the amendments contained in this Special Resolution.

Final amendment

The final amendment is to allow the renumbering of all Rules into proper numerical order and to make such other amendments necessary to ensure the cross referencing of Rules, paragraph numbers and other matters are properly formatted to give full force and effect to the matters addressed in the Special Resolution.

Please Note:

This Explanatory Message to Members is not to be taken in any way as affecting the wording or giving an interpretation of any Rule of the proposed Constitution, but is provided to inform members of what is proposed and to draw attention to particular matters.

The Board acknowledges that there may be specific matters in the proposed amendments to the Constitution which will be of interest to members, but rather than trying to anticipate all of these matters, the Board invites members to peruse the proposed amended Constitution and accompanying material and if you have questions or concerns, direct those to the General Manager of the Club for consideration.

General Notes to Members

1. In accordance with Rule 19 of the Club's Constitution, only Life Members Gold members and financial Individual Members, Platinum Members, Veteran Members, Senior Members, Associate Members Intermediate Members, Non Playing Members and Country Members (except employees of the Club) are entitled to attend the Annual General Meeting and vote on the Ordinary Resolution and Special Resolution.
2. To be passed, the Ordinary Resolution must receive a majority (50% + 1) of the votes in favour from those members who being eligible to do so, vote in person at the meeting.
3. To be passed, the Special Resolution must receive at least three quarters (75%) of the votes in favour from those members who being eligible to do so, vote in person at the meeting.
4. As a result of the provisions of the Corporations Act 2001, the Ordinary Resolution and Special Resolution must be considered as a whole and cannot be altered by motions from the floor of the meeting.
5. Members should read the Explanatory Message to Members following the Ordinary Resolution and Special Resolution which contain an outline of the nature and effect of the Ordinary Resolution and Special Resolution.
6. Please direct any question or concerns about the Ordinary Resolution or Special Resolution to the General Manager of the Club, if possible before the meeting.
7. 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.
8. Members of the Club, who are employees of the Club, cannot vote on the Ordinary Resolution or Special Resolution.
9. Proxy Votes are not allowed under the Registered Clubs Act 1972.
10. The Board commends the Ordinary Resolution and Special Resolution to the members.

Scott Armstrong
GENERAL MANAGER

MEMBERSHIP CATEGORIES

AS AT 30 JUNE 2018

| | 2016/2017 | 2017/2018 |
|--------------------------|-----------|-----------|
| Full Playing Members | 671 | 676 |
| Intermediate Members | 87 | 72 |
| Junior Members | 18 | 22 |
| Social Members | 6,243 | 5,794 |
| Life Members | 5 | 5 |
| Gold Members | 2 | 2 |
| Senior Members | 102 | 109 |
| Veterans | 26 | 25 |
| Non-Playing Members | 42 | 26 |
| Honorary Members | 8 | 6 |
| Senior Exec/PGA Members | 8 | 8 |
| Cadets | 58 | 58 |
| Tyros | 31 | 32 |
| Social Golf Members | 142 | 107 |
| Social 5yr Members | 1,361 | 1,468 |
| Platinum Premium Members | 20 | 20 |
| Platinum 5yr Members | 35 | 31 |
| Platinum Social Members | 1 | 1 |
| Platinum Life Members | 8 | 16 |
| Country Members | 91 | 87 |
| Staff Members | 4 | 2 |
| TOTAL | 8,963 | 8,567 |

PRESIDENT'S REPORT

I present this report for 2017-2018 on behalf of the Board of Directors. As a matter of course I once again emphasize the governance role of the Board in following Club policy and abiding by all elements under the Registered Clubs Act. Strategic planning is a critical component of Board responsibilities. 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, and decisions are based on research, data analysis, industry trend information gleaned from CDI seminars and sources, legal advice and requirements under the Act, as a prelude to Directors' experience and input. All Directors are required to complete formal governance training within 12 months of appointment to the Board.

There was a clear challenge for the Board and Management to respond vigorously to the accounting loss of (\$198,371) recorded in the 2016-2017 cycle. I can report that at the time of writing this report there has been a \$202,148 improvement on this figure. This leaves an accounting balance of \$3777 on the positive side of the ledger. It should be noted that an amount of around \$480,000 came out of our cash position to pay directly for the upstairs refurbishment. In addition, at the time of writing this report, the bank loan position has reduced from \$720,000 to \$340,000. While the focus of this report is the 2017-2018 financial year, it is nevertheless both important and relevant for members to be aware that at the end of August this year the Club has recorded a profit of \$74,682 for the first two months of this financial year, which is an improvement of \$194,740 over the same time last year, with projections for September similarly positive.

The revamped Catering operations, in conjunction with the complete refurbishment upstairs guided by the advice from HC Consultants, and implemented by our General Manager, are important factors in this turnaround. This was combined with strong support from both members and the community for regular scheduled musical events on a larger scale, which also contributed significantly. Attendance figures at the Christmas Carols event for example were stunning.

Course revenue has remained consistent and we have obviously benefitted ironically from the absence of disruptive periods of extensive rain. Having said that we would all welcome some more regular rainfall across the state. Another factor in our resurgence has been the opportunity for Management to get on with the job and focus on delivering good service across our facilities without interference or distraction from outside sources. The Board values the role played by our General Manager, Scott Armstrong in ensuring quality delivery is our focus, and it certainly has been. As always the Board values the input of our Finance Manager, Alison DeVries, and I would also acknowledge our Executive Chef Daniel Magill and Functions & Events Manager Stephanie Vidler for the success in their respective roles. It is very much a team effort.

The Board has identified seven priority areas for strategic focus in the 2018-2021 period. We need to maintain an acceptable level of both debt and expenditure, but with a view to researching further options for expansion and development of club facilities. This includes reference to golf course planning. We need to ensure optimum use of all available areas within the clubhouse footprint, while ensuring the Club continues to trade profitably. Risk Management is a component of this focus, and includes an ongoing review of Governance policies and principles. Finally, we need to utilize technology and social media to engage all levels of the local demographic profile, and this has in fact commenced.

Following the external judicial circumstances mentioned in last year's report, the Club had a mandatory follow-up visit from representatives of the Office of Liquor and Gaming, who conducted a thorough audit of all aspects of Club operation and management. Preliminary results generally endorsed the Club's practices with some recommendations for follow-up. Both Board and Staff policies were reviewed and an element of staff and director OHS training revisited. Financial oversight of club practice was adjusted in two minor areas. While it was time consuming and by its nature quite draining, it was a mandated part of the process. We have received further correspondence from the Office of Liquor and Gaming in October regarding their investigation and their recommendation to the Chairperson of the Authority. The outcome will be communicated with the Club in due course.

Our playing membership remains strong at around 1080 and this allows some scope for new membership applications leading up to the Christmas period. Cadets and Junior programs are well supported and guided by Michael Lamaro and Pete Sliwinski. Peter Cliff from the Pro Shop is in charge of skill development programs for our young golfers,

while Director of Golf Jason Hart and the Ladies Committee maintain our commitment to Tyro development. The success of this program is reflected in the growing number of participants in the Wednesday field in particular.

The planned improvement projects on the course were all implemented during the end of the winter season with a view to being ready for the important events through September and October. These improvements will add to the quality of the course and hopefully ameliorate the harsh impact of future extended dry weather periods. We do in fact have a remarkable course on an iconic site and are well served by dedicated and experienced staff led by Course Superintendent Andrew Banning. I would also acknowledge the recent retirement of legend Dave Greentree from the staff after 46 years of service. It would also be remiss of me not to mention the help of all the Volunteers throughout the year. Your input is appreciated.

The new practice nets are being well used by members and visitors alike and were funded by a Community Building Partnership grant. A further application for a grant from the same source was organized by Garry Craig and targeted a toilet facility on the northern end of the course adjacent to the 5th tee. Preliminary contact has been promising. In addition, a further application has been made to the Commonwealth SportAus program and is focussed on improving drainage on the 1st, 2nd, 3rd and 18th fairways, this is due for an announcement in November. It is important for the Board to remain cognizant of these opportunities, and spend the requisite time and energy to maximize their benefit to the Club and the community.

I have noted in the last two reports that there is ongoing interest in the location of our club and course from external sources. This is not surprising given the iconic status of the site and its incredible potential. It remains the role of the Board to evaluate any proposals and determine the way forward in the best interests of the Club and Members. The final decision will always be with the Members. This is very clearly understood by the current Board, and the focus remains on the benefits of all major decisions being for the benefit of all Members.

Under the Triennial system this year, the position of President and two Directors become eligible for re-election. I would like to underline the input of Bruce Cummins and David Fletcher in their respective roles on the Greens Committee and House Committee, as well as dealing with many other delegated issues and tasks. They provided great value as Board members. After some 19 years on the Board as Director, Vice-President and finally President since 2011, I will not be recontesting the role. I step down because it is time, and I remain confident that the Club is going from strength to strength and is very well managed across all areas.

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 also wish a speedy recovery to all those suffering ill health. The Club continues our most important role when we provide support and understanding for our Members.

Good golfing, good health to all.

Allan Arkins
PRESIDENT

CAPTAIN'S REPORT

Once again it is a pleasure to present to you my Captains report for 2017/2018.

My report is a snapshot of the major events and golfing achievements which shaped July 2017 to July 2018.

July 2017 saw our club once again host the Jack Newton State Age Championships. We saw two stars of the future Jed Morgan from Queensland and Grace Kim come out victorious. You will hear a lot about both these golfers in the future.

Jordie Garner flew off to the USA to compete in many tournaments and gain considerable experience on the world stage.

The Team of Matt Ayton, Ron Ayton, Justin Daley & Rob Crowther qualified for the National Final of the Holden Scramble and competed at Twin Waters in Queensland.

August saw an incredible achievement when Greg Wall had a hole in one on our fourth hole, then miraculously, he had a hole in one on the then 18th hole in the same round. News travelled quickly and the story was picked up by all media outlets. This feat may never be repeated in our club's history.

Our Ladies Holden Scramble was won by Deidre Davis, Val McGregor, Vicki Ireland and Lynn Farah who then went on to the Regional Finals.

Our Men's Foursomes Champs was conducted with Tim O'Regan and Rod Wehrle narrowly edging out young guns Jake Kable and Cooper Hetherington in a playoff.

Neil Coombs and Mick Cook won the B Grade scratch.

Ian Clift and Garry Stephens won the C Grade Scratch.

In our Cadet Championships, Finlay Taylor defeated Blaine Anderson in a sudden death playoff on the 18th hole. Both young lads have been inducted to our sub junior category and are two very well behaved youngsters who will make our club proud.

Several of our representative players contested the Regional Championships at Taree. This event attracts all the players in the region, from Central Coast, Hunter, Lower Hunter, Newcastle, Mid North Coast and North Coast. A huge region. Jordie Garner continued his success in taking out the Regional title. More great news in that Shelly Beach took out the teams' event with a team of Jordie Garner, Corey Jones, James Swanson and Tim O'Regan. Well done lads.

Our Pro Am was won by Leigh McKechnie with a score of 68. Runners up were Mitch Brown and David Van Raalte with scores of 69. Shelly Beach has been a happy hunting ground for Leigh as he has been a previous winner and is always highly competitive.

Our Club Champion for the year was Jordie Garner who shot under par to win by 13 shots from Jamie Stephens. Full results.

| | |
|----------------------------------|------------------------|
| A Grade winner and Club Champion | Jordan Garner 281 |
| A Reserve Scratch Winner | Ian Fennell 329 |
| B Grade Scratch winner | Mark Crowe 339 Playoff |
| C Grade Scratch winner | Michael O'Rourke 377 |
| Senior Scratch Winner | Ron Ayton 313. |
| Junior Scratch Winner | Jake Kable 306 |
| Junior Scratch R/Up | Liam Gocher 313 |

Our Junior Pennant team (who won the local series) progressed on to the regional final at Waratah. Of note, is that the opposition was a District combined team from Newcastle made up of players from several clubs. Jordie Garner won the match on the fourth extra playoff hole. The team consisted of Jordie Garner, Jake Kable, Liam Gocher, Cooper Hetherington, Jye Crowe and Riley Millers.

During November we saw considerable works on the course undertaken and the 'gaza strip' became part of club history with the area re turfing and irrigated.

Our Top Gun event was conducted under a revised format and we saw Shaun Brownlow narrowly pipping Brad Spurway in a chip off. Once again, thanks to Ken Ryan from Coast and Country Insurance for their sponsorship of the event.

Jordie Garner won the prestigious Federal Tournament in Canberra, then came to Sydney to compete against tour professionals at Twin Creeks in the NSW Open.

Shelly Beach GC hosted the annual CCDGA District Foursomes Championships which incorporated the Champion of Champions event. I am pleased to report that the A Grade title was taken out by Shelly Beach Locals Rod Werhle and Tim O'Regan who also won the Champion of Champions event. Ian Clift and Garry Stephens also took out the C Grade event. Well done to those golfers.

2018 started with news that Jordie Garner has once again won the Nick Faldo tournament at Castle Hill which meant he then set off to Vietnam to contest the international event.

Our Junior Pennants narrowly went down in a state final against Bathurst.

January also saw the introduction of free social golf for members! What a great initiative!

Kim Burke was selected by Golf Australia to head to NZ to defend her 2017 NZ Senior Amateur title. Further she had been selected to join a National Team to compete against the best the Australian Defence Force can muster.

Max Doherty outlasted all his rivals to win the "Young Gun" Top Gun event. We thank Ken Hey for his continued sponsorship of this event.

Our Mixed Pennant Team played gallantly throughout the season but unfortunately did not make it through to the next rounds. Huge thanks to Jim Mc Kendrick for his outstanding working with managing our team.

Our A Grade Pennant team suffered a shock loss at Breakers to not make the finals. Rest assured, this team will come back hungrier than ever.

B and C Grade Pennants competed well, but fell short of making the finals.

Nikki Barrett returned to the winners circle with a win in the Meriton Sydney International. Well done Nikki!

Kieren Jones has won the Asquith Cup (Vardon Event). Great work Kieren.

The Brian Grace Gold Plate was played and won by Graeme and Jo Scott. Congratulations! An interesting fact, is that every year, the Brian Grace Plate has been won by teams with the same surname. (Alisons, Keanelly, and now Scott.)

Our Mixed Foursomes Championships was conducted.

Winners - Scott Armstrong Kim Burke.

Runners Up - Andrew Arkins Jeanette Arkins.

Nett Winners - Matt Jones Chantaa Sharman

Nett R/Up - Teddy Endycott Rosie Moore.

Well done to those winners and runners up!

Our Masters Pennants team had another challenging year, but played the series in great spirit.

Jordie Garner set off to the USA again this time for three months to play numerous Amateur events. Greg Chalmers put Jordie up for a week and Jordie played with some famous tour players whilst there and learned firsthand about tour life.

Our Practise nets were installed courtesy of a government grant and are continuing to be a great asset.

Our Inaugural Greg Chalmers Weekend incorporating the Greg Chalmers JNJGF Junior Masters and the Greg Chalmers Classic (members' competition) was played over two days. The course was a great test of golf and adding 50km/h winds made the course even harder. Our winners for the members' competition were Jake Raveneau, and Jo Spears. Well done to the winners.

Our Captains vs Presidents day was played in great spirit. Whilst the Captain's team were ahead for the AM session, a strong performance by the Presidents team in the afternoon assured them an overall victory.

Congratulations to Kim Burke for winning the Queensland Senior Amateur event. Another notch to Kim in her outstanding Amateur Career!

The next year will bring many challenges with significant rule changes to our great game. Your match committee will work hard to transition us through these changes. To my match committee of Vice Capt Mick Lamaro, Toni McSweeney and Jason Hart, I thank you all for the great work done through the year. To Mick Lamaro and Peter Cliff, your work on the Junior Development committee is outstanding and a model for all other courses to follow.

Huge thanks to our Director of Golf Jason Hart. Our Pro Am is the best in the Region if not the state, and its Jason's passion and attention to detail which is the key. Thanks to all the Pro Shop staff for your efforts through the year.

Once again thanks to all the administration team, Alison, Cheryl, Kayla and Steph. What a great team you make. Always smiling and brightening anyone's day who comes into contact with you and always performing your job in a professional manner.

To Chef Daniel, and his team, the standards we are now used to, are better than any other club in the region full stop. Great food and great year!

To Andrew Banning, Rhys and the lads, once again the course is presented in year round top condition despite our drought then flooding conditions. The course is a pleasure to play and the term 'continual improvement' always comes to mind.

And finally to our GM Scott Armstrong. 2017-18 was an extremely challenging period for a number of reasons and Scott walked head on into issues that have never been faced at this club before. Now he has worked his way through these challenges with great skill and care. Last year I reported we should look to the skies in success, and we are certainly trending that way.

It has been a pleasure serving you as Club Captain at a course and club I love.

Peter Sliwinski
CAPTAIN

TREASURER'S REPORT

Tuggerah Lakes Golf Club trading as Shelly Beach Golf Club ended the financial year for 2018 with an audited accounting profit of \$3,777. This was an improvement over the previous year's loss of (\$198,371).

Trading resulted in a positive cash flow, again a positive result and allowed us to pay outright for the cost of the refurbishment.

The second half of the year 2018 was a difficult trading time for the licensed Clubs trading throughout NSW, the refurbishment of the clubhouse in our case had a positive effect on both visitors and members attending our Club and assisted the Club in improving to a profit.

Golf trading showed an increased profit of \$185k, weather, a hard-working Greens and Pro shop staff plus an all-round fine golf facility can be thanked for this.

The reorganised more effective use of our fine staff contributed to a more efficient Administration. The introduced cost cutting controls added to the bottom line and demonstrated that our Club is heading in the right direction as is being shown in this year, 2019's, results to date.

A thanks to all those members and the staff who have supported the Club over the year. We hope you have enjoyed the facilities provided, continue doing so and the results will continue to improve.

It is your club.

Dave Newman
TREASURER

GENERAL MANAGER'S REPORT

Dear Members,

The 2017/2018 financial year has seen significant change for the Club, and the implementation of this change has had a very positive impact both on the Club and its business.

I would like to thank the Board for its support in allowing the renovation to take place at a time when the Club's trade and financial results were heading in the wrong direction. The total spend on the renovation was \$486,565 plus gst. I believe this represents excellent value and I would like to thank the HC Group for their assistance through the design process and the choice of furniture, Q Electrical and Data, Add Floors who did the carpet and flooring, MDA Built who put in the ceiling and the other trades people involved.

The Club also purchased 4 new gaming machines and implemented 5 conversions to existing games which has shown a positive trend in what was a declining part of the business. The purchase of a new Toro rough mower at the start of last year's growing season paid dividends with rough being managed well and creating some cost efficiencies for the Greenkeeping team. There was also a purchase of a new Greens Mower as part of planned machinery rotation.

The transition to managing the catering inhouse has paid dividends both financially and for Member enjoyment. We saw an increase in income to the Golf Club as a result of bringing this business back inhouse of \$39,300 compared to the previous year with an outside caterer. Total profit from catering was \$174,000. We will improve on this result in the coming year as the team have now had 12 months' experience and we understand our market and further opportunities as a result.

The restructure of our staffing took place as a result of bringing the catering back in house as well as reviewing all areas of the business to ensure we had a sustainable business model. This restructure saw a reduction in Salaries and Wages of \$320,000 plus on costs across Administration, House, Course and Pro Shop. The operation has not only improved but is now financially sustainable during peak and off-peak times.

As we move forward into the 2018/2019 financial year we are now in a position to start planning for further improvements to the Club for the Members. This will be done with careful consideration, with the aim to increase revenue opportunities, and address member concerns with regard to the aesthetics of the Club. There will be a focus on the bottom bar toilets and facilities.

Planning for course improvements was made in the latter part of the year based on Member feedback and consultation with the Course Superintendent and the Greens Committee. The projects were prioritised and the increase to member subscriptions allowed additional funds to proceed with these tasks. I would like to congratulate our Greenkeeping department in completing these tasks in a timely fashion whilst continuing to maintain the course for play. These improvements will be

fully appreciated in the warmer months when the grass has established itself, and the playing surface will be mowed to the desired heights.

I am pleased to report the positive feedback we have received for our live music over the past 6 months. These events have been well supported and enjoyed by all. The move to focus on the Wednesday raffle has also seen an improvement over the previous formats and has been consistently patronised. Our mid-week food promotions have been very popular and our following on social media has been excellent. The Club engaged the services of Trent Brailey in the second quarter of the financial year and our Facebook page and Instagram has been significantly improved. In particular our videos and promotions on the inhouse TV's look professional and have been informative. We are looking to upgrade our website over the coming 12 months and we will soon launch a Members App for your smart phone. This will allow instant contact with various user groups amongst the Membership and will help promote golf and social activities.

I would like to thank all the staff here at the Club for their efforts over the last 12 months. There were some challenging times late in 2017. As we entered 2018 the efforts of many started to pay dividends and as we enter the 2018/ 2019 financial year we are seeing a remarkable turnaround in patronage and support for our wonderful club. As you will see in our financials the Club saw a dramatic turnaround coming off a loss of (\$198,371) for 2016/ 2017 to a small profit of \$3,777 this financial year. We are very proud of this result. There will be a continued focus to reduce debt whilst increasing our cash reserves.

I would like to personally thank the Board of Directors and congratulate Allan Arkins for his contribution to the Board over many years as a Director and then as the President since 2011. Allan will have more time to enjoy his golf and travel and I am sure will remain involved on some level.

Lastly thankyou to all the Members who support Shelly Beach Golf Club. At a time when many golf clubs are amalgamating and looking for supporting opportunities we are now looking positively to the future and are planning on further improvements to the course and the Club.

Regards,

Scott Armstrong
GENERAL MANAGER

Tuggerah Lakes Golf Club Limited
Trading as Shelly Beach Golf Club
Directors' report
30 June 2018

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2018.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Allan Arkins
Garry Craig
Peter Sliwinski
David Newman
Wesley Bourne (Resigned 12 November 2017)
Bruce Cummins
Michael Lamaro
David Fletcher
Arthur White
Toni McSweeney (Appointed 12 November 2017)

Objectives

Short term objectives include:

- Continue to promote Golfing Membership of the Club through our competition golf calendar, special events such as the Pro Am and Open Amateur and by maintaining the course to a high standard whilst managing the cost in line with responsible management of club finances;
- Continue to promote Social Membership of the club through promotional offers, social events, live music and maintaining a quality food and beverage offering;
- Improve the brand that is Shelly Beach Golf Club through targeted marketing and the use of social media to ensure the Club is a venue of choice in the local market;
- Continue to trade in a profitable fashion to reduce debt and ensure adequate cash flow to meet with suppliers' credit demands; and
- Ensure our Club vision is holistic and is for the benefit of the Club and the majority of members;
- Continue to promote Junior golf through school holiday programs, membership drives and competition golf with the objective of fostering future full golfing members; and
- Continue to introduce and foster golf participation through our Tyro's program.

Long term objectives include:

- Further strategic improvements to the golf course as approved by the greens committee and sanctioned by the Board of Directors in a fiscally responsible manner;
- Expand the club's footprint for trade via a balcony extension, renovation to the bottom bar and a small increase to the number of car spaces in the car park;
- Utilise the outdoor wedding area for social activities and events during peak periods;
- Reduce debt and leasing and implement a strategic capital equipment purchasing plan;
- Work toward continual surplus budgets to ensure the Club is sustainable long term;
- Explore opportunities for government grants to assist the Club in its endeavours;
- Ensure Board and key management are abreast of current legislative and governance requirements for the successful running of the club; and
- The Club should ensure diversified income streams to minimise the reliance on any one particular area of the Club for financial stability.

Tuggerah Lakes Golf Club Limited
Trading as Shelly Beach Golf Club
Directors' report
30 June 2018

Principal activities

During the financial year the principal continuing activities of the company consisted of:

- encouraging and promoting the game of golf.
- providing amenities for members, visitors and guests by way of a golf course and clubhouse facilities.

Operating results

The surplus of the company for the financial year amounted to \$3,777 (2017: Deficit of \$198,371).

Matters subsequent to the end of the financial year

On 17th October 2018, the Club received notification from NSW Department of Industries – Liquor and Gaming that the investigation into potential breaches of the Registered Clubs Act 1976 was complete. The notification includes a requirement for the Club to pay costs associated with the investigation of \$32,272.

No matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Information on directors

Name: Allan Arkins
Title: President
Qualifications: Retired principal / educational consultant

Name: Garry Craig
Title: Director
Qualifications: Retired industrial chemist

Name: Peter Sliwinski
Title: Director
Qualifications: Retired police officer / small business owner
Experience and expertise:

Name: David Newman
Title: Director
Qualifications: Retired financial controller

Name: Wesley Bourne (Resigned 12 November 2017)
Title: Director
Qualifications: Sales Rep

Name: Bruce Cummins
Title: Director
Qualifications: Retired engineering manager

Name: Michael Lamaro
Title: Director
Qualifications: Bus driver / SAP business expert

Name: David Fletcher
Title: Director
Qualifications: Retired principal

Name: Arthur White
Title: Director
Qualifications: Retired

Name: Toni McSweeney (Appointed 12 November 2017)
Title: Director
Qualifications: Business Development & Training Manager

Tuggerah Lakes Golf Club Limited
Trading as Shelly Beach Golf Club
Directors' report
30 June 2018

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2018, and the number of meetings attended by each director were:

| | Full Board Attended | Held |
|-----------------|------------------------|------|
| Allan Arkins | 22 | 26 |
| Garry Craig | 23 | 26 |
| Peter Sliwinski | 23 | 26 |
| David Newman | 26 | 26 |
| Wesley Bourne | 9 | 11 |
| Bruce Cummins | 24 | 26 |
| Michael Lamaro | 24 | 26 |
| David Fletcher | 22 | 26 |
| Arthur White | 23 | 26 |
| Toni McSweeney | 12 | 15 |

Held: represents the number of meetings held during the time the director held office.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Auditor's independence declaration

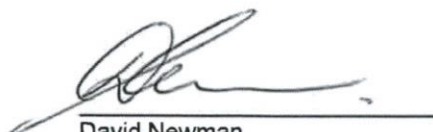
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Allan Arkins
Director



David Newman
Director

17 October 2018



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INDEPENDENT AUDITOR'S DECLARATION TO THE MEMBERS OF TUGGERAH LAKES GOLF CLUB LIMITED

We hereby declare that to the best of our knowledge and belief during the year ended 30 June 2018, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm

Bishop Collins Audit Pty Ltd
Chartered Accountants

Name of Registered Company

Auditor

Martin Le Marchant

Auditor's Registration No.

431227

Address

Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

Dated 17 October 2018



CHARTERED ACCOUNTANTS

LIABILITY LIMITED BY A SCHEME APPROVED UNDER THE PROFESSIONAL STANDARDS LEGISLATION





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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TUGGERAH LAKES GOLF CLUB LIMITED

Opinion

We have audited the accompanying financial report of Tuggerah Lakes Golf Club Limited ("The Company") which comprises the statement of financial position as at 30 June 2018, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

In our opinion:

- (a) the financial report of Tuggerah Lakes Golf Club Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2018 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia; and we have fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2 'Going Concern' of the financial report, which discloses the Company's current liabilities exceeds its current assets at 30 June 2018. As stated in Note 2, this indicates that an uncertainty exists that may cast doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



CHARTERED ACCOUNTANTS

LIABILITY LIMITED BY A SCHEME APPROVED UNDER THE PROFESSIONAL STANDARDS LEGISLATION





Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting in the preparation of the financial report. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the disclosures in the financial report about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial report. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Name of Firm

Bishop Collins Audit Pty Ltd
Chartered Accountants

Name of Registered Company Auditor



Martin Le Marchant

Auditor's Registration No.

431227

Address

Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

Dated 17 October 2018

Tuggerah Lakes Golf Club Limited
Trading as Shelly Beach Golf Club
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2018

| | Note | 2018 \$ | 2017 \$ |
|--|-------------|--------------------------|--------------------------|
| Revenue | 4 | 8,160,570 | 7,179,300 |
| Other income | 5 | 29,108 | 22,051 |
| Total revenue | | <u>8,189,678</u> | <u>7,201,351</u> |
| Expenses | | | |
| Cost of sales | | (2,176,675) | (1,747,956) |
| Advertising expenses | | (116,611) | (68,788) |
| Auditor's remuneration | | (27,550) | (24,858) |
| Affiliation fees | | (42,936) | (47,687) |
| Employee benefits expense | | (3,210,694) | (2,703,877) |
| Entertainment and bands expense | | (104,228) | (93,775) |
| Depreciation and amortisation expense | | (659,796) | (733,929) |
| Insurance expense | | (230,088) | (191,511) |
| House expenses | | (135,900) | (202,808) |
| Cleaning and waste disposal expenses | | (118,899) | (121,653) |
| Commissions paid | | (81,797) | (78,022) |
| Trophies and prizes expense | | (159,681) | (158,653) |
| Directors' benefits expense | | (17,863) | (25,434) |
| Fertiliser and greens chemicals | | (131,444) | (127,599) |
| Finance lease expenses | | (23,970) | (26,918) |
| Postage, printing and stationery expenses | | (23,765) | (44,493) |
| Security costs | | (57,058) | (63,892) |
| Utilities expense | | (172,652) | (142,218) |
| Rates and taxes expense | | (80,588) | (81,851) |
| Finance costs | | (78,539) | (62,527) |
| Repairs and replacements expense | | (199,438) | (264,038) |
| Computer expenses | | (55,050) | (81,742) |
| Freight and cartage expenses | | (2,687) | (7,139) |
| Promotions expense | | (10,808) | (41,261) |
| Other expenses | | <u>(267,184)</u> | <u>(257,093)</u> |
| Surplus/(deficit) before income tax expense | | 3,777 | (198,371) |
| Income tax expense | | <u>-</u> | <u>-</u> |
| Surplus/(deficit) after income tax expense for the year | 20 | 3,777 | (198,371) |
| Other comprehensive income for the year, net of tax | | <u>-</u> | <u>-</u> |
| Total comprehensive income for the year | | <u><u>3,777</u></u> | <u><u>(198,371)</u></u> |

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Tuggerah Lakes Golf Club Limited
Trading as Shelly Beach Golf Club
Statement of financial position
As at 30 June 2018

| | Note | 2018 \$ | 2017 \$ |
|--------------------------------|-------------|--------------------------|--------------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 6 | 313,537 | 576,529 |
| Trade and other receivables | 7 | 83,302 | 108,348 |
| Inventories | 8 | 201,700 | 216,939 |
| Financial assets | 9 | 6,618 | 6,482 |
| Other | 10 | 29,094 | 147,913 |
| Total current assets | | <u>634,251</u> | <u>1,056,211</u> |
| Non-current assets | | | |
| Property, plant and equipment | 11 | 5,476,144 | 5,247,856 |
| Intangibles | 12 | 138,688 | 138,688 |
| Total non-current assets | | <u>5,614,832</u> | <u>5,386,544</u> |
| Total assets | | <u>6,249,083</u> | <u>6,442,755</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 13 | 575,605 | 705,302 |
| Borrowings | 14 | 250,014 | 821,328 |
| Employee benefits | 15 | 313,336 | 407,043 |
| Other | 16 | 532,992 | 721,430 |
| Total current liabilities | | <u>1,671,947</u> | <u>2,655,103</u> |
| Non-current liabilities | | | |
| Borrowings | 17 | 1,039,402 | 238,621 |
| Employee benefits | 18 | 22,619 | 37,693 |
| Total non-current liabilities | | <u>1,062,021</u> | <u>276,314</u> |
| Total liabilities | | <u>2,733,968</u> | <u>2,931,417</u> |
| Net assets | | <u>3,515,115</u> | <u>3,511,338</u> |
| Equity | | | |
| Reserves | 19 | 368,000 | 368,000 |
| Retained surpluses | 20 | <u>3,147,115</u> | <u>3,143,338</u> |
| Total equity | | <u>3,515,115</u> | <u>3,511,338</u> |

Tuggerah Lakes Golf Club Limited
Trading as Shelly Beach Golf Club
Statement of changes in equity
For the year ended 30 June 2018

| | Asset revaluation reserve | Retained surpluses | Total equity |
|---|--|-------------------------------|---------------------|
| | \$ | \$ | \$ |
| Balance at 1 July 2016 | 368,000 | 3,341,709 | 3,709,709 |
| Deficit after income tax expense for the year | - | (198,371) | (198,371) |
| Other comprehensive income for the year, net of tax | - | - | - |
| Total comprehensive income for the year | - | (198,371) | (198,371) |
| Balance at 30 June 2017 | 368,000 | 3,143,338 | 3,511,338 |

| | Asset revaluation reserve | Retained surpluses | Total equity |
|---|--|-------------------------------|---------------------|
| | \$ | \$ | \$ |
| Balance at 1 July 2017 | 368,000 | 3,143,338 | 3,511,338 |
| Surplus after income tax expense for the year | - | 3,777 | 3,777 |
| Other comprehensive income for the year, net of tax | - | - | - |
| Total comprehensive income for the year | - | 3,777 | 3,777 |
| Balance at 30 June 2018 | 368,000 | 3,147,115 | 3,515,115 |

Tuggerah Lakes Golf Club Limited
Trading as Shelly Beach Golf Club
Statement of cash flows
For the year ended 30 June 2018

| | Note | 2018 \$ | 2017 \$ |
|--|-------------|--------------------------|--------------------------|
| Cash flows from operating activities | | | |
| Receipts from customers (inclusive of GST) | | 8,833,931 | 7,790,689 |
| Payments to suppliers and employees (inclusive of GST) | | <u>(8,389,175)</u> | <u>(7,384,843)</u> |
| | | 444,756 | 405,846 |
| Interest received | | 137 | 178 |
| Interest and other finance costs paid | | <u>(31,094)</u> | <u>(28,691)</u> |
| Net cash from operating activities | | <u>413,799</u> | <u>377,333</u> |
| Cash flows from investing activities | | | |
| Payments for investments | | (136) | (177) |
| Payments for property, plant and equipment | | (916,622) | (388,942) |
| Proceeds from disposal of property, plant and equipment | | <u>10,500</u> | <u>39,314</u> |
| Net cash used in investing activities | | <u>(906,258)</u> | <u>(349,805)</u> |
| Cash flows from financing activities | | | |
| Repayment of borrowings | | 1,170,770 | 244,875 |
| Proceeds from borrowings | | <u>(941,303)</u> | <u>(250,920)</u> |
| Net cash from/(used in) financing activities | | <u>229,467</u> | <u>(6,045)</u> |
| Net increase/(decrease) in cash and cash equivalents | | (262,992) | 21,483 |
| Cash and cash equivalents at the beginning of the financial year | | <u>576,529</u> | <u>555,046</u> |
| Cash and cash equivalents at the end of the financial year | 6 | <u>313,537</u> | <u>576,529</u> |

The above statement of cash flows should be read in conjunction with the accompanying notes

Tuggerah Lakes Golf Club Limited
Trading as Shelly Beach Golf Club
Notes to the financial statements
30 June 2018

Note 1. General information

The financial statements cover Tuggerah Lakes Golf Club Limited as an individual entity. The financial statements are presented in Australian dollars, which is Tuggerah Lakes Golf Club Limited's functional and presentation currency.

Tuggerah Lakes Golf Club Limited is a not-for-profit unlisted public company limited by guarantee.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 17 October 2018.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

New or amended Accounting standards and interpretations not yet adopted

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates from 1 January 2019 and will be applicable in the 2019 financial year. The Company has not opted for early adoption of these standards.

AASB 16 Leases – The revised standard removes the distinction between operating and finance leases for leases. The standard requires rights and obligations relating to most leases to be recognised on the balance sheet. The Company has not yet considered the impact of all leases and agreements currently in place.

AASB 15 Revenue from Contracts with Customers – This standard moves the revenue recognition focus from transaction level to a contractual rights and obligations basis. The Company has not yet considered the impact of this standard.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

At 30 June 2018, the company's current liabilities (\$1,671,947) exceed its current assets (\$634,251) by \$1,037,696. Notwithstanding this deficiency, the financial statements have been prepared on a going concern basis which contemplates the realisation of assets and the extinguishment of liabilities in the ordinary course of business.

The directors of the company have considered the going concern assumption appropriate with consideration to the following:

- During the year, the Company renegotiated its borrowings. The Company has access to undrawn facilities of \$478,808 to meet any working capital requirements;
- Current liabilities, including membership subscriptions paid in advance (\$266,998) and revenue received in advance (\$136,794) will not require cash settlement; and
- It is not anticipated that employee entitlements (\$313,336) will be extinguished by 30 June 2018.

It is with full consideration of the factors noted above that the financial statements have been prepared on a going concern basis.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), and the Corporations Act 2001, as appropriate for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Note 2. Significant accounting policies (continued)

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Rendering of services

Rendering of services revenue is determined with reference to the stage of completion of the transaction.

Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. Where the contract outcome cannot be reliably estimated, revenue is only recognised to the extent of the recoverable costs incurred to date.

Membership revenue

Membership revenue is recognised on a proportional basis over the period of the membership.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The directors are of the opinion that the company is exempt from income tax pursuant to Section 50-45 of the Income Tax Assessment Act 1997.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 2. Significant accounting policies (continued)

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Other receivables are recognised at amortised cost, less any provision for impairment.

Inventories

Finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

Held-to-maturity investments

Held-to-maturity investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the company has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Held-to-maturity investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

Property, plant and equipment

Land is stated at deemed cost. Buildings and plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

| | |
|-----------------------|--------------|
| Buildings | 40 years |
| Building improvements | 40 years |
| Plant and equipment | 2 - 20 years |

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Note 2. Significant accounting policies (continued)

Intangible assets

Poker machine entitlements

Poker machine entitlements are capitalised as an asset. These costs are not subsequently amortised.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for long service leave not expected to be settled within 12 months of the reporting date is recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Note 2. Significant accounting policies (continued)

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Fair value measurement hierarchy

The company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Tuggerah Lakes Golf Club Limited
Trading as Shelly Beach Golf Club
Notes to the financial statements
30 June 2018

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Indefinite life intangible assets

The company tests annually, or more frequently if events or changes in circumstances indicate impairment, whether indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 4. Revenue

| | 2018 \$ | 2017 \$ |
|------------------------------------|------------------|------------------|
| <i>Sales revenue</i> | | |
| Bar revenue | 2,178,285 | 2,449,973 |
| Functions and catering revenue | 2,394,195 | 926,044 |
| Golf shop revenue | 830,184 | 857,867 |
| Green fees revenue | 957,630 | 914,158 |
| Subscriptions and affiliation fees | 903,215 | 869,915 |
| Commissions received | 148,513 | 233,310 |
| Gross poker machine takings | 1,822,880 | 2,196,492 |
| Less: poker machine payouts | (1,229,606) | (1,437,535) |
| Poker machine GST subsidy | 17,180 | 17,180 |
| Market night and raffle revenue | 61,516 | 101,575 |
| | <u>8,083,992</u> | <u>7,128,979</u> |
| <i>Other revenue</i> | | |
| Interest | 137 | 178 |
| Other revenue | 76,441 | 50,143 |
| | <u>76,578</u> | <u>50,321</u> |
| Revenue | <u>8,160,570</u> | <u>7,179,300</u> |

Note 5. Other income

| | 2018 \$ | 2017 \$ |
|---|---------------|---------------|
| Net gain on disposal of property, plant and equipment | <u>29,108</u> | <u>22,051</u> |

Tuggerah Lakes Golf Club Limited
Trading as Shelly Beach Golf Club
Notes to the financial statements
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Note 6. Current assets - cash and cash equivalents

| | 2018 | 2017 |
|--------------------------|-------------|-------------|
| | \$ | \$ |
| Cash at bank and on hand | 313,537 | 576,529 |

Note 7. Current assets - trade and other receivables

| | 2018 | 2017 |
|-------------------|---------------|----------------|
| | \$ | \$ |
| Trade receivables | 82,802 | 80,915 |
| Other receivables | 500 | 27,433 |
| | <u>83,302</u> | <u>108,348</u> |

Note 8. Current assets - inventories

| | 2018 | 2017 |
|-------------------------------------|----------------|----------------|
| | \$ | \$ |
| Bar stock on hand - at cost | 51,616 | 48,078 |
| Golf shop stock on hand - at cost | 94,503 | 104,611 |
| Catering stock on hand - at cost | 26,365 | 27,150 |
| Greens shed stock on hand - at cost | 29,216 | 34,980 |
| Other stock on hand - at cost | <u>-</u> | <u>2,120</u> |
| | <u>201,700</u> | <u>216,939</u> |

Note 9. Current assets - financial assets

| | 2018 | 2017 |
|--------------|-------------|-------------|
| | \$ | \$ |
| Term deposit | 6,618 | 6,482 |

Note 10. Current assets - other

| | 2018 | 2017 |
|----------------|---------------|----------------|
| | \$ | \$ |
| Prepayments | 21,251 | 135,886 |
| Other deposits | <u>7,843</u> | <u>12,027</u> |
| | <u>29,094</u> | <u>147,913</u> |

Tuggerah Lakes Golf Club Limited
Trading as Shelly Beach Golf Club
Notes to the financial statements
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Note 11. Non-current assets - property, plant and equipment

| | 2018 \$ | 2017 \$ |
|---------------------------------|--------------------------|--------------------------|
| Freehold land - at deemed cost | <u>385,452</u> | <u>385,452</u> |
| Buildings - at cost | 3,202,261 | 3,202,261 |
| Less: Accumulated depreciation | <u>(921,107)</u> | <u>(841,207)</u> |
| | <u>2,281,154</u> | <u>2,361,054</u> |
| Property improvements - at cost | 2,435,769 | 2,394,463 |
| Less: Accumulated depreciation | <u>(1,344,061)</u> | <u>(1,222,983)</u> |
| | <u>1,091,708</u> | <u>1,171,480</u> |
| Plant and equipment - at cost | 5,099,897 | 4,697,439 |
| Less: Accumulated depreciation | <u>(3,413,438)</u> | <u>(3,392,243)</u> |
| | <u>1,686,459</u> | <u>1,305,196</u> |
| Capital work in progress | <u>31,371</u> | <u>24,674</u> |
| | <u>5,476,144</u> | <u>5,247,856</u> |

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

| | Work in Progress \$ | Freehold land \$ | Buildings \$ | Property improvements \$ | Plant and equipment \$ | Total \$ |
|-------------------------|---------------------------|------------------------|------------------|--------------------------------|------------------------------|------------------|
| Balance at 1 July 2017 | 24,674 | 385,452 | 2,361,054 | 1,171,480 | 1,305,196 | 5,247,856 |
| Additions | 6,697 | - | - | 41,839 | 868,086 | 916,622 |
| Disposals (net) | - | - | - | - | (28,538) | (28,538) |
| Depreciation expense | <u>-</u> | <u>-</u> | <u>(79,900)</u> | <u>(121,611)</u> | <u>(458,285)</u> | <u>(659,796)</u> |
| Balance at 30 June 2018 | <u>31,371</u> | <u>385,452</u> | <u>2,281,154</u> | <u>1,091,708</u> | <u>1,686,459</u> | <u>5,476,144</u> |

Note 12. Non-current assets - intangibles

| | 2018 \$ | 2017 \$ |
|--------------------------------------|--------------------------|--------------------------|
| Poker machine entitlements - at cost | <u>138,688</u> | <u>138,688</u> |

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

| | Poker machine entitlements \$ | Total \$ |
|-------------------------|--|----------------|
| Balance at 1 July 2017 | <u>138,688</u> | <u>138,688</u> |
| Balance at 30 June 2018 | <u>138,688</u> | <u>138,688</u> |

Tuggerah Lakes Golf Club Limited
Trading as Shelly Beach Golf Club
Notes to the financial statements
30 June 2018

Note 13. Current liabilities - trade and other payables

| | 2018 | 2017 |
|-------------------------|---------------|---------------|
| | \$ | \$ |
| Trade payables | 260,848 | 391,982 |
| Function deposits held | 28,345 | 44,040 |
| House account | 70,936 | 71,030 |
| Sponsorships in advance | 61,751 | 55,691 |
| BAS payable | 95,734 | 69,110 |
| Other payables | <u>57,991</u> | <u>73,449</u> |
| | 575,605 | 705,302 |

Note 14. Current liabilities - borrowings

| | 2018 | 2017 |
|---------------|----------------|----------------|
| | \$ | \$ |
| Bank loan | - | 601,000 |
| Hire purchase | <u>250,014</u> | <u>220,328</u> |
| | 250,014 | 821,328 |

Note 15. Current liabilities - employee benefits

| | 2018 | 2017 |
|--------------------|----------------|----------------|
| | \$ | \$ |
| Annual leave | 161,955 | 188,101 |
| Long service leave | <u>151,381</u> | <u>218,942</u> |
| | 313,336 | 407,043 |

Note 16. Current liabilities - other

| | 2018 | 2017 |
|--|---------------|---------------|
| | \$ | \$ |
| Accrued expenses | 84,800 | 70,397 |
| Revenue received in advance | 136,794 | 166,611 |
| Subscriptions paid in advance | 266,998 | 403,557 |
| Subsidies and grants received in advance | - | 21,461 |
| Security deposits | <u>44,400</u> | <u>59,404</u> |
| | 532,992 | 721,430 |

Tuggerah Lakes Golf Club Limited
Trading as Shelly Beach Golf Club
Notes to the financial statements
30 June 2018

Note 17. Non-current liabilities - borrowings

| | 2018 | 2017 |
|---------------|-------------------------|-----------------------|
| | \$ | \$ |
| Bank loan | 721,192 | - |
| Hire purchase | <u>318,210</u> | <u>238,621</u> |
| | <u><u>1,039,402</u></u> | <u><u>238,621</u></u> |

Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

| | 2018 | 2017 |
|---------------|-------------------------|-------------------------|
| | \$ | \$ |
| Bank loan | 721,192 | 601,000 |
| Hire purchase | <u>568,224</u> | <u>458,949</u> |
| | <u><u>1,289,416</u></u> | <u><u>1,059,949</u></u> |

Assets pledged as security

The bank loans are secured by first mortgages over the company's land and buildings.

Note 18. Non-current liabilities - employee benefits

| | 2018 | 2017 |
|--------------------|---------------|---------------|
| | \$ | \$ |
| Long service leave | <u>22,619</u> | <u>37,693</u> |

Note 19. Equity - reserves

| | 2018 | 2017 |
|-----------------------------|----------------|----------------|
| | \$ | \$ |
| Revaluation surplus reserve | <u>368,000</u> | <u>368,000</u> |

Revaluation surplus reserve

The reserve is used to recognise increments and decrements in the fair value of land, excluding investment properties.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

| | Asset revaluation reserve \$ | Total \$ |
|-------------------------|---------------------------------------|-----------------------|
| Balance at 1 July 2017 | <u>368,000</u> | <u>368,000</u> |
| Balance at 30 June 2018 | <u><u>368,000</u></u> | <u><u>368,000</u></u> |

Tuggerah Lakes Golf Club Limited
Trading as Shelly Beach Golf Club
Notes to the financial statements
30 June 2018

Note 20. Equity - retained surpluses

| | 2018 \$ | 2017 \$ |
|---|-------------------------|-------------------------|
| Retained surpluses at the beginning of the financial year | 3,143,338 | 3,341,709 |
| Surplus/(deficit) after income tax expense for the year | <u>3,777</u> | <u>(198,371)</u> |
| Retained surpluses at the end of the financial year | <u><u>3,147,115</u></u> | <u><u>3,143,338</u></u> |

Note 21. Core and non core property

In accordance with the provisions under section 41J(2) of the Registered Clubs Act 1976, the directors have classified the following assets as core property:

- Clubhouse, carpark and surrounds: lot 367 DP 755263

Note 22. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

| | 2018 \$ | 2017 \$ |
|------------------------|----------------|----------------|
| Aggregate compensation | <u>735,814</u> | <u>665,520</u> |

Note 23. Contingent liabilities

On 17th October 2018, the Club received notification from NSW Department of Industries – Liquor and Gaming that the investigation into potential breaches of the Registered Clubs Act 1976 was complete. The notification includes an order for the imposition of a monetary penalty on the Club. The cost of the penalty, should one be imposed, has not been communicated by the Independent Liquor and Gaming Authority to the Club.

Note 24. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 22.

Transactions with related parties

The following transactions occurred with related parties:

| | 2018 \$ | 2017 \$ |
|---|------------|------------|
| Payment for goods and services: | | |
| Purchase of Club Directors Institute membership for directors | 1,164 | 1,309 |
| Purchase of shirts supplied to all directors | - | 286 |
| Purchase of Clubs NSW luncheon | - | 118 |
| Purchase of meals and drinks shared equally between all directors | 17,662 | 24,915 |
| Purchase of suit jackets supplied to directors | 201 | 134 |
| Purchase of PGA awards dinner February 2017 | - | 1,136 |

Tuggerah Lakes Golf Club Limited
Trading as Shelly Beach Golf Club
Notes to the financial statements
30 June 2018

Note 24. Related party transactions (continued)

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 25. Company details

The registered office and principal place of business of the company is:

'The Club House', Shelly Beach Road
Shelly Beach NSW 2261

Note 26. Events after the reporting period

On 17th October 2018, the Club received notification from NSW Department of Industries – Liquor and Gaming that the investigation into potential breaches of the Registered Clubs Act 1976 was complete. The notification includes a requirement for the Club to pay costs associated with the investigation of \$32,272.

No other matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Tuggerah Lakes Golf Club Limited
Trading as Shelly Beach Golf Club
Directors' declaration
30 June 2018

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

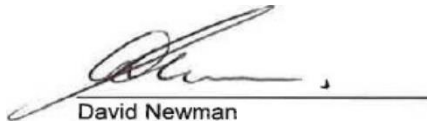
Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Allan Arkins
Director

17 October 2018



David Newman
Director