

Presidents Report.

I am pleased to announce the club has had a stellar year in terms of revenue and profit growth.

- Revenue grew 9.3% to \$8.9 million from \$8.1 million the previous year.
- Operating Income grew 9000% to \$343,566 from \$3,777 the previous year.

The improvement in operating performance was driven by:

1. The restructuring of the operations of the club and the soft refurbishment of the top bar through the 2017/2018 financial year.
2. The introduction of upgraded free entertainment.
3. The success of Aqua as a place of choice when dining.
4. An improved social media presence.

The strength of the club's balance sheet also improved, enabling \$1.2 million cash generated to fund a reduction in debt and increase our cash in the bank or cash on hand to \$0.5 Million.

Since the end of the financial year we have further improved the balance sheet by paying down our \$1.2 million line of credit to \$1,000.

In previous reports it had been noted that there was ongoing interest by third parties to partner in redeveloping the club. Based on the current levels of operating performance and the strength of our balance sheet, the board has made the decision there is no need to seek such partnerships and will forge ahead with the strategic initiative outlined in the 3 year plan that will enable us to become the best golfing and social experience on the central coast for our members and community.

- Stage 1 – The development of a northern terrace and a new upstairs bar will commence in February 2020 and be funded through our own cash reserves.
- Stage 2 – The remodelling of the bottom bar will commence in May 2020, 12 months earlier than planned and be funded through a mixture of cash and debt.

At the AGM you will be asked to vote on some changes to the club's constitution around the structure and the how the board is elected. In summary the changes are based around best practice and increasing the efficiency of the board, however I will explain in more detail at the AGM via a power - point presentation why the board is requesting these changes.

To compliment the requested changes to the constitution the board is considering reducing the number of sub committees that report to the board from 4 to 3 and change the emphasis of the committees.

The new committees being considered are:

1. Finance – Responsible for reviewing the financial performance, ethics, compliance, governance, risk and audit review of the club (Malcolm Sheldon chair).
2. Membership and Sponsorship committee. A new committee to review our current membership and sponsorship packages we offer. (Scott Armstrong chair).
3. Golf – All things golf - inclusive of the current greens committee and match (Peter Sliwinski chair).

These committees will meet monthly, and report to the board bi-annually v monthly at present, the committees will be empowered to implement the strategic agenda approved by the board in its three year strategic plan and subsequent annual budgets.

Under the Triennial system the position of Captain and 2 directors become eligible for re-election. I would like to thank Arthur White who will not be re-standing this year for his contribution to the board and in his role as chair of the house committee.

I would like to congratulate the current Captain Peter Sliwinski and Vice Captain Michael Lamaro on been returned unopposed for another 3 year term and the appointment of Dean Lappas to the board.

I would also like to thank Scott Armstrong and his great staff for delivering such a great financial result.

On behalf of the board I extend our sincere condolences to all members who have lost family and friends in the past 12 months.

Finally to all members, continue to enjoy the products and services that Shelly Beach Golf Club has to offer.

Malcolm Sheldon
PRESIDENT