

President's Report

2024/2025 Fiscal Year

(This report should be read in conjunction with the 2024/2025 Annual Report)

On behalf of the Shelly Beach Golf Club Board of Directors and Management, it is my great pleasure to announce a record financial result for the year ending 30 June 2025.

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1. Financial Metrics

- Sales revenue was up 8% to \$11.86 million.
 - Bar Revenue up 8% to \$3.7 million
 - Catering Revenue up 6% to \$2.6 million
 - Golf Revenue up 8.5% to \$4.45 million
 - Gaming net Revenue up 27% to \$880,000
- Expenses were held to \$11.10 million, an increase of 4.2%.

70% of our expenses came from the two (2) line items below.

- Cost of Sales up 4% to \$3 million
- Employee Benefits up 4% to \$4.6 million

There were no abnormal items, no material changes, in other expenses that are detailed in Annual Report.

- Surplus (EBIT) was up 128% to \$761,000.
 - \$185,000 (43%) of the increased profit is associated with the upgrade of our Gaming Room.
 - \$60,000 of the increased profit is associated with a strategic investment in a Serving Pass in the Bistro to increase productivity in the service of meals.
 - All other increases in profit are associated with increased sales revenue.

It should be noted that due to the capital expenditure required in the current Development Application before council, we forecast our depreciation will increase considerably. In future financial reporting, we will place more emphasis on EBITDA rather than EBIT.

- Cash generated from operating activities up 34% to \$1.8 million.
 - The increase in cash generation is a direct result of higher sales revenue and containment of associated costs.
 - \$1.1 million was re-invested in the business to fund increased revenue projects.

Jeff Tomlinson in his report will provide more detail on the various initiatives that have led to the increased surplus (Profit).

2. Membership Statistics

- 12,518 Social Members
- 1,352 Golf Members, as categorised below:

Category	Male	Female	Total	Playing Cap
Full Playing	660	189	849	849
Junior @33%	45	2	47	16
Intermediate 1	44	1	45	45
Intermediate 2	40	0	40	40
Life Membership	2	1	3	3
Senior	91	39	130	130
Veteran	19	8	27	27
Non-Playing	7	3	10	10
Gold	1	2	3	3
Platinum	19	0	19	19
Platinum Life	14	2	16	16
Pathways	1	0	1	1
Country @ 33%	46	22	68	22
Cadets	49	3	52	0
Social Golf	9	2	11	0
Staff	17	2	19	19
Women's 5 day	0	12	12	0

Total Playing	943	288	1352	1200
Membership Cap				1200

Tyro - Waiting List	6	13	19
Tyro - Extension Waiting List	3	18	21
Tyro - Transition Waiting List	6	14	20
Waiting List	69	5	74

Waiting List (Pipeline)	84	50	134
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NB:

- Social Golf Members, Women's 5 Day Members, and Cadets are not included in the Playing Cap.
- Country Members and Juniors are counted as 1/3 in playing calculations.

3. Strategic Plan

Current financial performance and strong membership is a very healthy indicator that our vision '**aspiring to be the best golfing and social experience on the Central Coast for our members and community**' is starting to bear fruit and will only be enhanced as we continue our focus on the following 3 pillars:

- Have an efficiently managed business that has a sound financial base.

Recent developments in this area are as follows:

- A sound internal finance function lead by our CFO Jared Reed, and supported with an outsourced back office team is now in place.
 - Substantial liquidity with over \$4 million in cash and other equivalents.
 - Enhanced solvency with equity doubling in the last 6 years.
 - Replacement the majority of our IT hardware.
 - Replacement of our point of sales (POS) software.
- Having a golf course that is rated in the top 100 public access courses in Australia, and that is a fair test of golf, but an enjoyable experience for golfers of all abilities, coupled with an improved golf program.

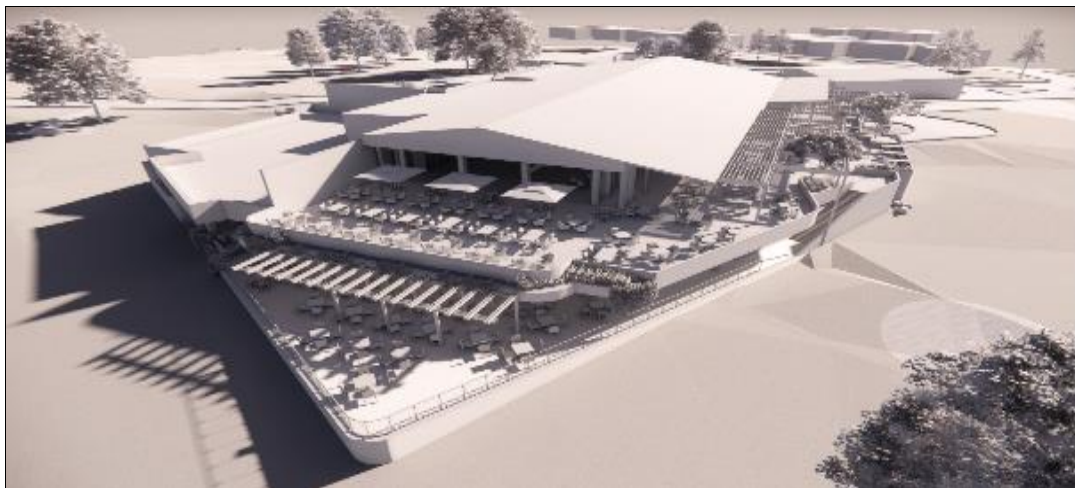
Recent developments in this area are as follows:

- \$150,000 investment in the new 18th green.
 - \$400,000 investment in stage one (1) of the new ladies' course, to commence play on November 10th.
 - \$600,000 proposed investment in the new 5th and 6th holes, to be commenced this fiscal year.
 - A current rating of 84 in Public Access Courses in Australia.
 - Golf membership continues to be strong and a pipeline of 134 new members either in our Tyro program or on the waiting list.
- A modern clubhouse that takes advantage of its unrivalled ocean views, with first class hospitality and a variety of entertainment.

Recent developments in this area are as follows:

- At the last AGM (2024), members were advised that on the 11th October 2024, we had lodged a Development Application for our Clubhouse Master Plan - DA/ 1504/2024, which would be constructed over 4 stages.

Stage 1:



Update to the Clubhouse Master Plan - DA/ 1504/2024:

- Council responded with requests for additional information on 14/05/2025.
- The club re-submitted on the 17/09/2025.
- The council as late as the 18/10/2025 have requested more information, and in their words, *“the council is committed to collaborating with the applicant and their team to identifying an effective pathway for progressing the Development Application by arranging a meeting with council officers and our team of consultants”*.
- Until such time as we meet with council, we can't update you on the start date of the project.
- Whilst the major driver in delivering a modern clubhouse that takes advantage of its unrivalled ocean views is the Development Application, we have continued to make incremental improvement in the hospitality space by investing \$125,000 in the Serving Pass in the bistro, and increased our entertainment spend by 23% to \$190,000 on the variety of entertainment.

4. Executive Summary

We are all extremely conscious of the challenge in balancing financial objectives that will enable us to fund the Strategic Plan, and to deliver the best possible Golf and Social Experience for our Members and Community. To this end, and under the stewardship of General Manager Jeff Tomlinson, I believe we have been successful in balancing that challenge.

That challenge will continue as we implement the various stages of the Clubhouse and Golf Course Masterplans.

I would like to thank all members and their guests for their patronage this year, and with the Festive Season approaching, I wish you and your families a Merry Christmas and a Happy New Year.

In closing, I would like to thank Jeff, and his staff for providing a tremendous golf and social experience in the FY2024/25, and to my fellow Directors for so graciously giving of their time.

Malcolm Sheldon

Malcolm Sheldon

President

Shelly Beach Golf Club