President's Report 2025/2026 Fiscal Year

(This report should be read in conjunction with the 2025/2026 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 2026.

Contents:

1. Financial Metrics
2. Membership Statistics
3. Strategic Plan
4. Executive Summary

1. Financial Metrics

- Sales revenue totalled $12.98m, up 10.2% on last year
    - Bar Revenue was $3.86m, up 5.3% on last year
    - Gaming Net Revenue was $965,000, up 9.6% on last year
    - Catering Revenue was $2.84m, up 11.4% on last year
    - Golf Revenue was $5.07m, up 12.6% on last year
- Expenses were held to $11.78m, an increase of 6.1%

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

    - Cost of Sales up 5% to $3.17m
    - Employee Benefits up 8.4% to $5.03m

  There were no abnormal items, no material changes, other expenses are detailed in the Annual Report.
- Surplus (EBIT) was $1.3m, up 73% on last year.
    - As there were no capital works projects in the clubhouse, the increase in Surplus can be directly attributed to increased sales revenue.
- $2.2m of cash generated from operating activities, up 22% on last year.
    - $768,000 was invested to fund architecture and consulting fees for the Clubhouse and Golf Course Masterplan.

2. Membership Statistics

	Male	Female	Total	Playing Cap
Full Playing	655	195	850	850
Juniors	22	0	22	22
Intermediate	38	2	40	40
Intermediate	39	0	39	39
Life	1	1	2	2
Senior	102	42	144	144
Veteran	24	6	30	30
Non-Playing	4	0	4	4
Senior Non-Playing	1	2	3	3
Gold	1	2	3	3
Platinum	18	0	18	18
Platinum Life	15	3	18	18
Pathways	1	0	1	1
Country	47	19	66	22
Social	9	2	11	0
Juniors	88	4	92	0
Cadets	94	3	97	0
Total Golf Members	1159	281	1440	1196
	80%	20%		
Playing Cap				1200
Available Golf Memberships				4

	Male	Female	Total
Tyro	4	17	21
Tyro Extension	7	11	18
Tyro Transition	2	13	15
Waitlist Full Playing	75	4	79
Waitlist Full Intermediate 1	6	0	6
Waitlist Full Intermediate 2	5	0	5
Waitlist Country	6	1	7
Total Waitlist (Pipeline)	105	46	151
	70%	30%	

	Male	Female	Total
Social Members	9417	4347	13764
	68%	32%	

3. Strategic Plan

The demand for membership and the growth in sales reflects the confidence members and guests place in the Club. It strengthens our ability to reinvest in the course, facilities and services that make the Shelly Beach experience special.

To achieve our aspirational vision, we must continue to strengthen the three strategic initiatives outlined in our strategic plan, which together form the core of our mission.

- ***An efficiently managed business that has a sound financial foundation***

  The Finance Committee developed a five year financial plan to guide the business through the development on both the Clubhouse and Golf Course Masterplans.

  - The plan identifies the base financial sales on which both plans are predicated.
  - The growth in sales from both plans.
  - The capital expenditure required on the base business to keep operating at a high service level e.g. replacement of the golf cart fleet, air conditioning units, replacement of gaming machines, etc.
  - The capital expenditure required for both the clubhouse and golf course plans.
  - The method of funding both sets of capital expenditure.
  - The minimum cash reserves we will keep during the build.
  - The maximum debt and repayment schedule that allows us to keep $1m in cash reserves at all times.
  - Overall liquidity of the business.

- ***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:

  - The finalisation of the forward tee blocks.
  - Jan Stephenson, the former Shelly Beach Golf Club Junior, a US Open Winner and Golf Hall of Fame Inductee, opened the Ladies Championship Tees.
  - The ladies commenced playing the new Stephensen and Pink courses in March this year.
  - The Pink Course was re-rated at Shelly Beach Golf Club's request after the data suggested both the scratch and slope ratings were too generous.
  - In January this year, the land allocated for the new fifth hole was cleared.

In October this year:

- the Chalmers Course – the Men's Championship Course was officially opened for the 2026 Men's Club Championships.
- The old land fill site that encompasses the new fifth hole was remediated, with the laying of a geo thermal blanket, then land fill placed on top the blanket.
- The 5th and 6th tee blocks will be built, plus the new 5th green and bunker complex commenced. It is anticipated that the works will be completed mid December 2026 and in use in May 2027.
- The laying of a temporary Green in the vicinity of the 11th and 12th holes. This is required in addition to the current spare hole (16b) to come into play in May to allow for the reversal of the 14th and 15th holes, without interference to our golf program.

In May (next year):

- Completion of a new 17th Green complex, waste lands between the 17th and 6th holes and new Men's tees on the 18th hole.
- On completion, the course will be a par 70 for both women and men.

No further major work is planned for the golf course post May 2027, for the next 5 years other than keeping the course to the standard we have come to expect.

Note: The naming of the current blue, white, pink and cadet courses, will be announced at the AGM on Tuesday 8th of November.

- ***A modern clubhouse that takes advantage of its unrivalled ocean views, with first class hospitality and a variety of entertainment.***

- At the last AGM (2025), members were advised of the lodgement of a Development Application with Central Coast Council for our Clubhouse Master Plan - DA/ 1504/2024, to be constructed over 4 stages.

- I am pleased to announce that a conditional DA was approved in April 2026. The club required a change in conditions (4.55 Modifications) before final approval. That modification was given final approval, and was granted in October (DA/1534/2024/A - Proposed Modification of Consent Application to Shelly Beach Golf Club) to build and take occupancy in stages.

- It is planned to go to tender in April 2027, and commence the build of stage 1 (see below) in July 2027.



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. The 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 FY2025/26, and to my fellow Directors for so graciously giving of their time.

Malcolm Sheldon
President
Shelly Beach Golf Club