MINUTES OF ANNUAL GENERAL MEETING HELD ON SUNDAY 11th SEPTEMBER

President Bob Proudfoot welcomed the 143 members and 6 staff present (as per attendance register attached), then opened the meeting at 10.01am.

The Chairman introduced David Murphy from Booth Partners, Ben Clegg Chief Executive Officer & the members of the Board, and an Acknowledgement of Country was read to the room.

Apologies – Beatrix McDonald, Glen Borm, Lyn Hay, Paul Samford,
Moved Keith Barnes, **Seconded** Derek Frew, all in favour **Carried**

Obituaries –. B Clegg read the names of members who have passed away since our last A.G.M. as follows:

AS PER LIST

Ben Clegg noted and apologised for any omissions from the list. One minutes silence was held to respect those members who have left us.

Minutes of the previous Annual General Meeting on the 12th December 2022

A typographical error of P David rather than P Davis moving a motion was noted and requested to be corrected by the President.

Having been read, it was **Moved** D Castle – **Seconded** P Chivers that the Minutes be received and adopted. Chairman, B Proudfoot, then asked if there was any business arising from the minutes, and no issues were raised.

President's Report

The key question that members are asking myself and the Board is – What is the plan for Vincentia? I will turn my mind to this during my address. Members as you are no doubt aware, your Board working with our Management Team have continued to pay down what was a considerable debt for the entire Country Club. Our borrowings peaked at $11.3m in 2019 and is currently around $6.5m, $1.35m was paid down last financial year. Previous Boards who initiated the level of debt did so responsible and at a time when the renovation of our club was crucial and the purchase of the Paradise Breach Road land was strategic.

The wise advice from Management, from our auditor Dave Murphy and from our Finance Manager Richard Ward, is to keep up the good work and to continue to pay down the debt and to not borrow at this point in time. Your Board agrees with this careful approach. However, we do believe that two projects are capable of being advanced.

The first one is the preparation of a Development Application for the Paradise Beach Road land and we believe that the cost for this can be covered though increased turnover. The DA is the first step required for the building of an accommodation motel together with residential units. The second project is the decision required regarding sustainability options for the Country Club Vincentia.

The sustainability report from Tully Heard Consultants has been completed and is in draft form, with Management working with Tully Heard on point's clarification before it is tabled at a future Board Meeting. Hopefully this will occur in the next few months, after which a special meeting of all members will be convened.

Once again members, your Board, Management and staff thank you for your continued support as a direct result the future of our wonderful club looks very bright indeed. That is not to say that there aren't elements of negativity that seem to come from the Vincentia precinct.

Members just think about this. 6.5 years ago, Vincentia Golf Club was on its knees and the Country Club came to the fore and bailed it out.

The deal was for a minimum of 3 years, and yet here we are some 6.5 years on. Quite frankly it is not helpful for the rumours that have been circulating, for the not so veiled criticism, for the complaints that are just so unfair. Remember this, we the Board of the Country Club have quite publicly invited members to make submissions or groups of members to make submissions as to how the Vincentia Country Club site can become a sustainable entity. Other than financial enquiries, nothing has come forward – nothing!

The current situation cannot continue in its present form at Vincentia. Close to $3m dollars has be invested in Vincentia. There is also the forgone opportunity cost that has occurred at the Sanctuary Point site because of the funds that have been expended at Vincentia. So the $3m spent could be close to $7m - $10m in lost opportunity. This farce has to cease and cease it will. As I said earlier, no decision has been made, but it is not far off! Losses such as $427k last year cannot continue - $2m in turnover. Enough is enough.

At this stage, no decision has been made. Should the board recommend some form of partial development of the Vincentia Golf Course for say, retirement living, it is not easy for straightforward.

The Vincentia site zoning is a recreation zone, the top 9 holes are an environmental zone, but some of the area can be developed such as the carpark area, clubhouse, practice nets, this could be developed for retirement living. In an attempt to make the whole site more sustainable, we have spoken to 5 or 6 retirement living proponents to get their ideas which we have received.

It should also be noted that around 25% of the site is bushfire prone, we also have neighbours nearby that are accustomed to a certain way of living. We are trying to do the right thing by all. The Tully Heard report will come back with recommendation, we will discuss those recommendation and come to the members with a recommendation. We won't rush into this, 6 and a half years on bad we are about to come to you with a recommendation.

The alternative is that we could apply for a complete rezoning, which could see the entire site rezoned and baron paddock, this would be a difficult lengthy process, but we have a commitment to maintain a recreation site, a golf course and a golf clubhouse needs to be the dominant use.

We will be talking to Tully Heard again, maybe about something similar to Port Kembla Golf Club with a licensed pro shop, Merimbula Golf Club is doing something similar, they have 27 holes and are downsizing. There's no resolution carried and we want to work with the Vincentia people to come to a solution. You will be a major part of that process. That's my supplementary report to go with my written report.

Moved P Jones – **Seconded** ???? that the President's Report be received and adopted.

A question was received from the room at this stage and P Laver was invited to propose his question –

P Laver – "Mr president thank you for advising members of the boards plans for the paradise road site. I anticipate that in accordance with the boards legal due diligence obligations you would have considered and endorsed a preliminary business plan concerning this initiative. Not your obligation to be accountable to members for the prospective expenditure of club funds I invite you to explain how this facility will enhance the clubs service to members, how much you have budgeted for the development, how will you fund the development and when

do you assess the facility will yield a nett profit inclusive of depreciation and interest expenditure?"

B Proudfoot – "I can answer that question quite briefly, we are in the early stages at the moment going to a development application process, as that process goes further down the track those questions will be answered".

All in favour – **Carried**.

Auditor's Report & Balance Sheet.

The financial result for the year end 30th June 2022 was a profit at St Georges Basin of $1,129,385 and a net loss at Vincentia of $428,931 for a combined profit of $700,454.

The Club finished with cash of $3,172,166.

D Murphy noted that a number of financial questions had been submitted in advance of the meeting.

D Murphy addressed the questions from N Burke –

QUESTION 1: OPERATING PROFIT/LOSS*: Before the amalgamation, in the financial years ending February 2015 and February 2016, before depreciation, the VGC was able to trade at a profit*

- *2015 - $74,825 profit, and in*
- *2016 – $179,818 profit*

In the years post amalgamation, 2017 through 2020, before depreciation, the CCV largely traded in profit

- *2017 - $7,438 loss*
- *2018 - $30,353 profit*
- *2019 - $110,263 profit*
- *2020 - $73,053 profit*

However, in recent years this has turned around and the CCV has traded at a substantial loss (before depreciation)

- *2021 - $104,680 loss*
- *2022 - $270,201 loss*

Please explain what has changed to turn a once profitable club into an apparent basket case

D Murphy explained that Vincentia site income has flat lined whilst the costs have increased, reminding that both sites were closed for 2 months in the previous financial year.

QUESTION 2: WAGES *- In the years 2016 through 2020, the ANNUAL Wages attributable to CCV were in the region of $430,000pa. Then in 2021, despite a reduced working week for much of the year, the ANNUAL wages increased to $725,795 (i.e. over 70%). And now in 2022, based on both a reduced working week and a COVID related club closure the ANNUAL wages have increased again to $793,808). Please explain the massive increase.*

D Murphy explained that direct wages are obviously allocated to Vincentia, while the Club uses the industry accepted practice of allocating head office expenses based on the ratio of gaming machines in operation for administration/repairs and maintenance and total number of golf holes are used for course cost allocation.

QUESTION 3: CONSULTANCY FEES *- $55,000 in fees has been charged to CCV. This is NOT an operating expense - why hasn't it been charged to Head Office as a future project expense.*

D Murphy explained that the expense relates to consultancy specific to the Vincentia Club, which must be allocated to the venue. The expense is not capital in nature so it cannot be depreciated, so must be recorded in the P&L, regardless of opinion on whether an 'operating expense' or not.

QUESTION 4: *What happened to last year's Job keeper and Volume Rebate ($54,500) and where is this year's Volume Rebate reflected?*

D Murphy explained that the entirety of the JobKeeper subsidy was recognised as income at the St Georges Basin site incorrectly. As it relates to March 2020-September 2020, the year being questioned would mean a maximum $29,250 in subsidy was not recognised. It appears there were only 3 staff at the time who were eligible for the subsidy, as checked by Ben based on the lodgements at the time.

Just as an aside, given that the sustainability of the CCV clubhouse gets a lot of focus, I note that:
The CCV's cumulative R&M Club & Grounds over the years 2016 through 2022 is $225,122 (or an average of $32,160pa) while the CCSGB expense is $2,419,738 (or an average of $346,677pa).

D Murphy explained that if you average out the past 5 years R&M across the two sites, the percentage of expenditure against total revenue is 1.97% for St Georges Basin and 2.47% for Vincentia, so not a big anomaly given the relative size of the properties and ability for each to generate revenue.

D Murphy then turned his focus with K Pinkard's questions

Can you explain the reason for increase in wages for administration of $89,633 for this financial year?

D Murphy explained that overall administration wages have increased through CPI and additional staff and we now use the standard method of allocation as previously discussed.

Can you explain the reason for increase in golf wages?

D Murphy explained that the method of allocation had changed to allocate head office expenses

Can you explain the increase in TAB and KENO wages?

D Murphy explained that the Club has new software that makes it easier to allocate these wages from bar wages and that this is the same at St Georges Basin.

How is Job Keeper shown in the financial reports?

D Murphy explained that JobKeeper and other grants are shown under Grant Money in the Financial Report.

What is the income from the restaurant, is it shown under sundry income?

D Murphy explained that income from the restaurant is recorded under sundry income.

Question relating to the allocation of consultants fees

D Murphy noted that he has already answered this question.

Array of questions relating to capital expenditure at the club

D Murphy deferred the question to B Proudfoot who notes the Club is in the very early planning stages so no concrete decisions have been made and no money has yet been spent or planned to be spent. Figures will be available after more decisions have been made.

Management/Auditing of Accounts

On page 30 of the financial report, the auditors state a "DISCLAIMER ON ADDITIONAL FINANCIAL INFORMATION" which reads:

It will be appreciated that the audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

Is there any party auditing or checking the validity of the income and expenditure allocation?

I cannot see any evidence of a person or group within The Country Club who are answerable for the performance of the Vincentia operations as a Cost Centre. Can The Country Club form a committee or have a contact person with the responsibility to review the monthly accounts for the site, suggest performance improvements and address any cost issues.

D Murphy explains that – What constitutes the audited financial report is set out in the corporation's law and the auditing and accounting standards. The information contained in the detailed management reports do not form part of the audited financial report as determined by the statute, however if the full disclaimer on page 30 is read in its entirety we are only disclaiming to 3rd parties not to our client being the club and its members. The disclaimer on page 30 needs to be read in conjunction with our audit report & specifically the paragraph headed "Other information" which states - read paragraph

We definitely review and as already noted are required by the corporations law to satisfy ourselves that the detailed management reports are a reasonable representation of our understanding of the Financial performance of the club. We are satisfied that the management reports are consistent with our understanding of the clubs operations and are accurately presented based on the clubs accounting policies in regard to allocations between club cost centres.

The management and board are answerable for the performance of the club as a whole and also for any operating segments within the club. The monthly financial performance of the club and its Operating segments are closely scrutinised and reviewed by management including the clubs finance manager who presents a finance report to the board at each monthly directors meeting. Detailed Monthly review of the Vincentia site is already been undertaken by the clubs capable management team as well as being overseen by the club's board.

D Murphy thanked the room for their time, B Proudfoot thanked the members for their questions.

Moved D Lawrence - **Seconded** G Dean that the Auditor's Report & Balance Sheet and Income and Expenditure Account for the period ending 30th June 2022 be received and adopted and the auditor reappointed for a further term. All in favour, **Carried**.

ORDINARY RESOLUTION

Ordinary Resolutions:

1. That pursuant to the Registered Clubs Act, the members hereby approve and agree to the members of the Board during the period preceding the 2020 Annual General Meeting receiving the following benefits and the members further acknowledge that the benefits outlined in sub-paragraph (i) to (ix) are

not available to members generally but only those members elected to the Board or subsequently appointed in accordance with Article 48 of the Articles of Association:

(i) A reasonable meal and refreshments to be associated with each Board meeting of the Club.
(ii) The right for Directors to incur reasonable expenses in travelling to and from Director's meetings or to other constituted meetings as approved by the Board from time to time on production of invoices, receipts or other proper documentary evidence of such expenditure.
(iii) The reasonable cost of Directors attending the Clubs NSW Annual Conference and General Meeting.
(iv) The reasonable cost of Directors attending seminars, lectures, trade displays and other similar events as may be determined by the Board from time to time;
(v) The reasonable cost of Directors attending other registered clubs for the purpose of viewing and assessing their facilities and their method of operation provided such attendances are approved by the Board as being necessary for the benefit of the Club;
(vi) The provision of blazers and associated apparel for the use of Club Directors when representing the Club; and
(vii) The provision of car parking spaces adjacent to the Clubhouse for the President and Board Members.
(viii) A Christmas Dinner involving the provision of meals and drinks for members of the Board and their partners.
(ix) A Dinner involving the provision of meals and drinks for the benefit of members of the Board and their partners towards the conclusion of the month preceding the Annual General Meeting.
(x) Directors and their partners are eligible to attend entertainment at the clubhouse, the director must submit a report to the next entertainment committee

2. That pursuant to the Registered Clubs Act, the members hereby approve and agree to the following honoraria being provided to the Members of the Board of Directors for the period preceding 2020 Annual General Meeting as follows:

(a)	President	Presidents Allowance	$1,000
		Honoraria	$5,374 + CPI
(b)	Directors	Honoraria	$3,373 + CPI

The President informed members that the Registered Clubs Act requires that these benefits be approved by the members annually and asked if there was any discussion on the Resolution.

There being no discussion it was **Moved** KEN **Seconded** FRED – by show of hands, majority in favour **Carried**.

SPECIAL BUSINESS

Life Membership Peter Thorncroft

B Edwards read the following on behalf of G Taylor and D Manwarring

We would like to nominate Mr Peter Thorncroft for Life Member of St Georges Basin Country Club Ltd. Peter has been a member of the Club since 1978. Professionally, Peter joined the staff as a casual barman in 1986 and worked through various positions until being appointed Secretary Manager and Licensee in 2000, a position he held until retirement in 2021. Peter dedicated a significant portion of his life to the benefit or this club and through his leadership took us from a successful small operation to the incredible organisation all our members are able to enjoy today.

Peter's rapport with our members, management acumen, countless hours dedicated and vision for over three decades allowed our club to prosper to what it is now, therefore we see it more than fitting to recommend that Mr Peter Thorncroft be granted life membership of St Georges Basin Country Club.

B Proudfoot called for any objections, being no objections B Proudfoot asked for a show of hands to carry the vote, a majority of hands were displayed in the room and the motion awarding Peter

Thorncroft Life Membership was **carried.** B Proudfoot welcomed P Thorncroft to the floor to accept his Life Membership and say a few words.

P Thorncroft thanked the room, the staff and the Membership for their support, B Proudfoot thanked P Thorncroft and congratulated him again.

50 Year Memberships

B Edwards congratulated and welcomed the following Members for being members for over 50 years:

Peter Follet
Beverley Follet
Kevin Hayward
Barbara Thomspon (noted that B Thompson was absent)
Robert Brown
Ron Tomlin
Melda Tomlin
Gaye Taylor

B Edwards acknowledged the following 50 year members that couldn't join us today –

Robert Wright
Graham Russell
Alan Hunt
Shirley Jurd
Warren Stonestreet
Paula Shields
Joseph Shonhardt
John Kofod
John Brown

B Proudfoot thanked B Edwards and the recipients

Recommendations AND QUESTIONS to the Incoming Board

D BARKER – Member Number Not Provided

I have been a Member for 12 months and enjoyed it, I have been working in sporting administration all my life including Bankstown Sports and Blacktown Workers, I want to read from the annual report that The principal activities of the company during the financial year were: To provide and maintain golf, lawn bowling, tennis and other sporting facilities to the members of the club and to provide recreational and other leisure activities normally associated with the services of a sporting club.

My question is what plans are in place to be more resilient during these weather events, what grants or plans have been put in place to make the golf course drain better to be played on more often, given that golf is often played in the wet. What has been done for lawn bowls and an all-weather surface and roof?

B Proudfoot responds – I'll give you a quick response the golf course at St Georges Basin is clay-based which is difficult to drain but we are putting serious dollars into improving drainage and applying for a grant, similar actions are being taken at Vincentia which does drain better.

Regarding bowling greens, we have had several discussions but it is still a work in progress, we will continue to discuss and make decisions in due course.

DEREK FREW 11551

In the minutes from last AGM, B Goldsmith raised an error in the constitution. Mr Goldsmith pointed out that this needed to be sorted out, is this being actioned?

B Clegg responded that we have sought legal advice on the constitution and we are working through this change along with other amendments and an updated constitution will be presented at next year's AGM.

ROY THOMPSON – 15270

We've hear d a lot of negativity about Vincentia today, we would like to see more promotions at the Club. We get nothing, we used to get a band, listen to music, dance, and the Club rarely closed before 1am and was profitable. Now we get no music, we are supposed to get vouchers and raffle tickets from the swipe machine, no tickets and vouchers have been received this year.

B Proudfoot notes that L Hodges and his team can outline what has been tried at Vincentia – Bands on the deck etc. The Country Club did improve promotions, introduced Foxtel, etc. B Proudfoot thanks R Thompson for his comments but notes that much of his claims could be disputed but will be looked further into.

As there were no further recommendations to the incoming Board, President Bob Proudfoot then asked Mr Alan Askew Returning Officer to announce the result of the ballot.

BALLOT

Bob thanked Alan and his scrutineers and polling officials for the time and effort in conducting the voting.

A Askew, Returning Officer then announced the result of the ballot as follows: -

Over the eight day voting period 704 Club Members voted for the three positions of Director,
3 votes on each ballot and 2 votes were invalid for a total of 2106 votes.

K Brunker	255
N Burke	182
P Laver	238
P Chivers	413
P Davis	352
M Holland	371
J Dunn	295

The Returning Officer declared Peter Chivers, Paul Davis and Mal Holland Directors for the next 3 years.

B Proudfoot asked P Thorncroft to present to incoming Board with their Director badges.

The Chairman then closed the meeting at 11:03am.

President…….. Date……