

## President's Report

2023/2024 Fiscal Year

*(This report should be read in conjunction with the 2023/2024 Annual Report)*

### Contents:

1. Membership
2. Key Financial Metrics
3. Strategic Plan
4. Summary

### 1. Membership

As at 30 June 2024 the club has:

- 7,800 social members
- 1253 golf members, as categorised below:

Category	Male	Female	Total
Full Playing	686	205	891
Junior	62	7	69
Intermediate 1	29	1	30
Intermediate 2	50	1	51
Life Membership	2	1	3
Senior	80	34	114
Veteran	15	6	21
Non-Playing	7	3	10
Gold	1	2	3
Platinum	19	0	19
Platinum Life	14	2	16
Pathways	1	0	1
<b>Total</b>	<b>966</b>	<b>262</b>	<b>1228</b>
Country	53	22	75
Country 33%	17	7	25
<b>Total Playing</b>	<b>983</b>	<b>269</b>	<b>1253</b>
Membership Cap			1250
			3

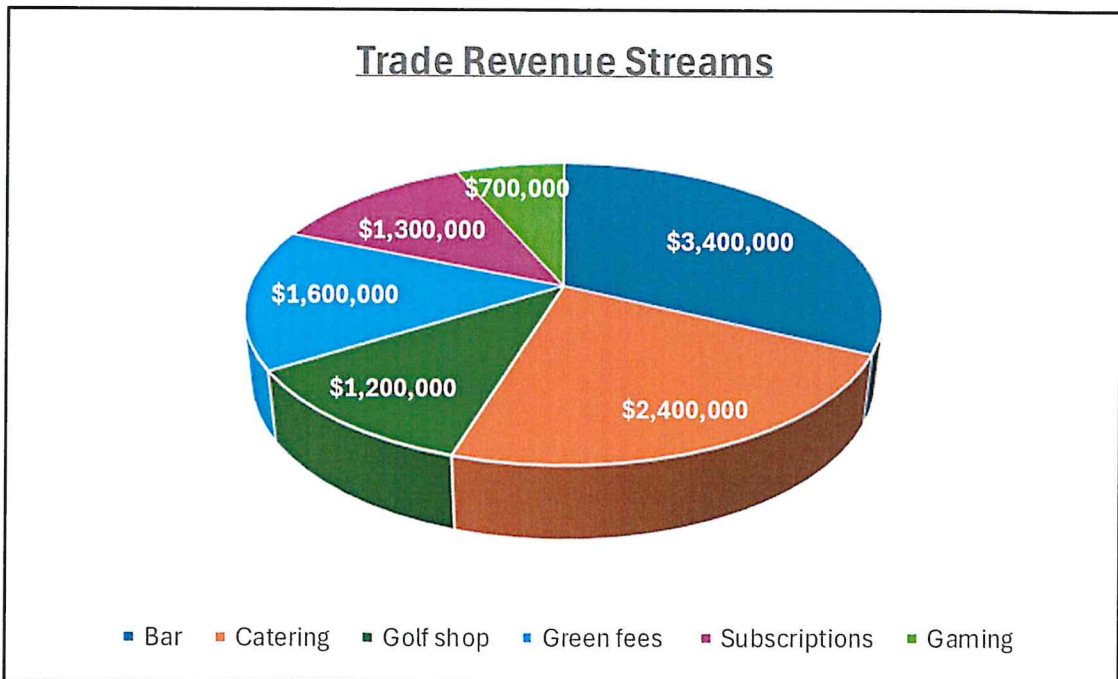
- For the purpose of calculating the membership cap, country members are calculated at one third of the category total, due to their restriction of 15 games per annum.
- During the 2023/2024 fiscal year, due to pressure on time sheets during winter, the Board resolved to reduce the playing cap to 1200 members. The change was implemented in July this financial year, resulting in 50 less members being admitted to membership, at a cost of \$72,500.
- Demand for membership remains strong with 150 people on the current Waitlist.

## 2. Key Financial Metrics

It is my immense pleasure to report on behalf of the Board of Directors that Shelly Beach Golf Club has continued its strong financial performance, despite adverse weather conditions, which significantly affected trade revenue in the last quarter of the fiscal year.

### 1. Trade Revenue up 13.5% from \$9.6 million to \$10.9 million

- Bar revenue - up 16% to \$3.4 million
- Function and catering revenue - flat at \$2.4 million
- Golf shop revenue - up 7.4% to \$1.2 million
- Green fee revenue - up 19% to \$1.6 million
- Subscriptions and affiliation fees - up 7.5% to \$1.4 million
- Gaming machine net revenue - flat at \$0.7 million



### 2. Other revenue decreased by 70% from \$269,976 to \$83,261

- Two accounting entries in the previous year positively affected other revenue when compared to the 2023/24 fiscal year. The first being a \$120,000 insurance recovery from the previous year, and secondly a \$130,000 net gain from the disposal (trade in) of the golf cart fleet.
- In general, revenue growth was excellent and above expectation. Our challenge has been, and will continue to be, in the short-term, turning that revenue growth into profitable growth.

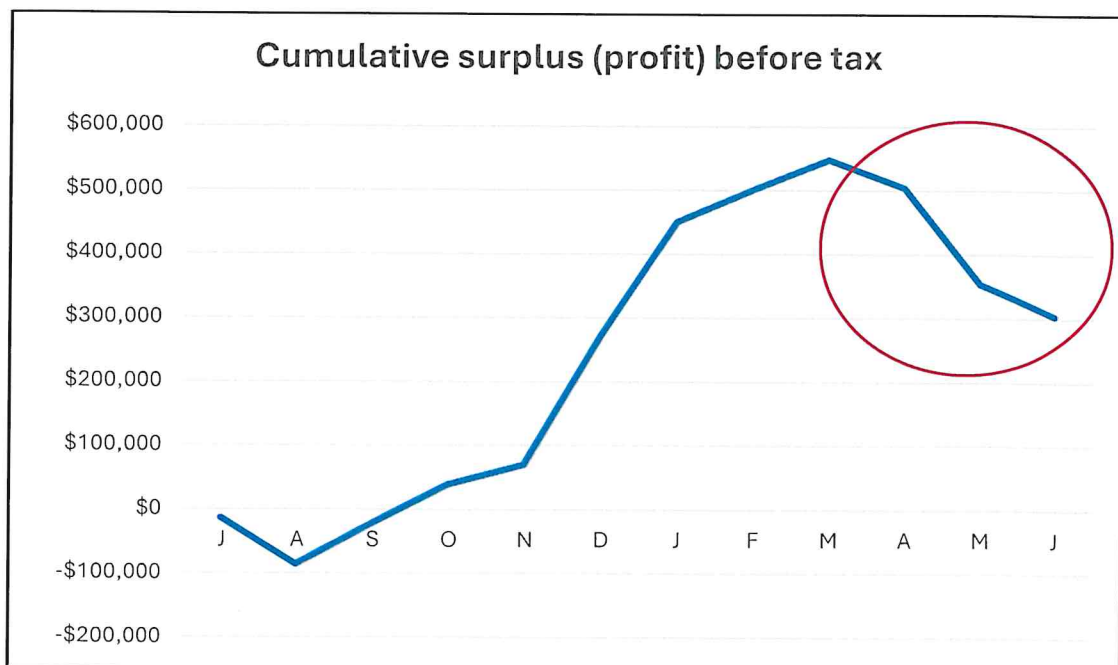
### 3. Expenses

Generally, expenses were kept in-line with sales growth. However, there were 2 areas when compared to the previous year where expenses increased.

- Trophy Expenses increased by 54% from \$280,824 to \$430,824, for 2 reasons.
  - Competition fees were increased by \$2 per round, of which \$1 per round was returned to members in an increased prize pool, totalling \$45,000.
  - A change in accounting procedures now recognise-sales and expenses separately for events. These were previously netted off against each other (eg Pro-AM, Club Championships, etc ).
- Other Expenses increased by 37% from \$222,242 to \$304,742, for 3 reasons.
  - Radio advertising, at an increased revenue cost of \$25,000.
  - The courtesy bus was written off in an accident, incurring rental costs of \$15,000 during the time to purchase a new vehicle.
  - A \$25,000 cost of a previous development application for a pump shed in 2016 were written down from the Balance Sheet. This write-down affected profit but not cash.

### 4. Surplus (Profit) before tax down 47% from \$626,094 to \$343,845

- The same two accounting entries that affected 'other revenue' directly affected the profit by \$250,000.
- The other significant driver was the adverse weather conditions significantly affected trade revenue in the last quarter of the fiscal year. The graph below demonstrates the effect of cumulative profit for the year.



## 5. \$1.3 million cash from operating activities

\$550,000 re-invested back into the business

- \$180,000 golf course capital expenditure
- \$120,000 clubhouse capital expenditure
- \$200,000 fees associated with clubhouse Masterplan
- \$50,000 fees associated with golf course Masterplan

\$750,000 net increase in cash and cash equivalents

## 3. Strategic Plan

In 2018, during the strategic planning process, the Board identified a vision for the club.

***“We aspire to be the best golfing and social experience on the Central Coast for our members and community”.***

One of three key strategic initiatives to achieving that vision was ...

***“... to have an efficiently managed business that has a sound financial foundation”***

Below is a Balance Sheet comparison of FY2018 and FY2024, which highlights the improvement the club has made to its financial foundation over those past six years.

	2024	2018
Current assets	4,270,615	634,251
Non-current assets	6,367,380	5,614,832
<b>Total Assets</b>	<b>10,637,995</b>	<b>6,249,083</b>
Current liabilities	2,883,331	1,671,933
Non-current liabilities	576,225	1,062,021
<b>Total Liabilities</b>	<b>3,459,556</b>	<b>2,733,954</b>
<b>Net Assets</b>	<b>7,178,439</b>	<b>3,515,129</b>
Reserves	368,000	368,000
Retained surpluses	6,810,439	3,147,115
<b>Total Equity</b>	<b>7,178,439</b>	<b>3,515,115</b>

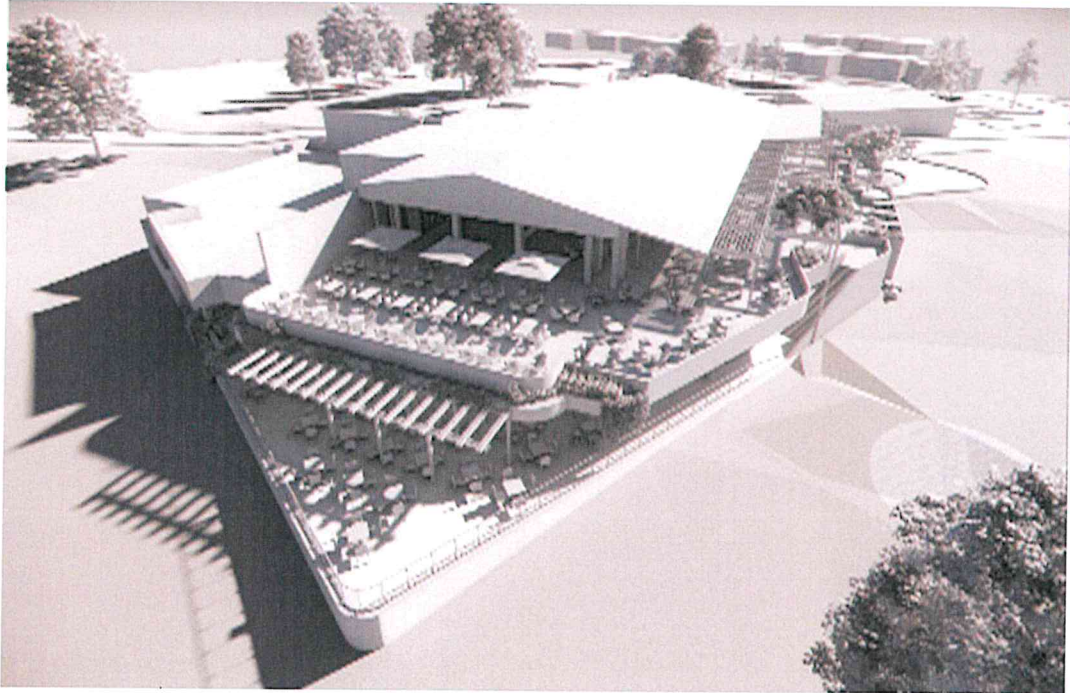
We now have the financial foundation that will enable the club to deliver the two other key strategic initiatives.

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

- A development application DA/1534/2024 has been lodged with the Central Coast Council. Its current status is Notification/Advertising
- As previously advised the Masterplan will be implemented in 4 stages.

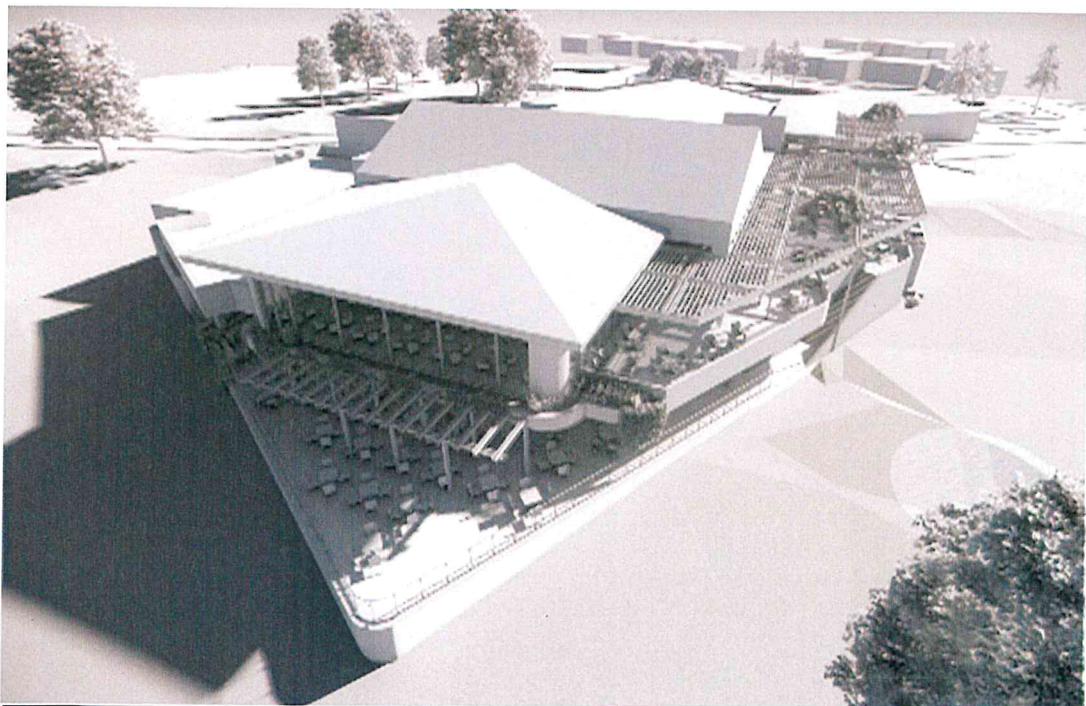
- **Stage One**

- Creation of the Sports Bar, consisting of an active sports zone, TAB facilities, multiple TV screens to view sport, food and beverage outlets, covered outdoor terrace and covered outdoor gaming area.
- Creation of the foundations and flooring of the Function Facility.



- **Stage Two**

- Extension of the current restaurant to the east
- New main bar
- Café
- Soft refurbishment of the top floor.



- **Stage Three**

- The creation of a function facility with the ability to accommodate a single 180-person function room or 2 x 80-person function rooms.
- The facility consists of its own bar, kitchen and green room.



- **Stage Four**

- The creation of a new pro -shop comprising a swing room, retail space, locker room and underground cart storage.
- The creation of a Porte Cochere on entry to the Club and Pro Shop.



2. The final strategic initiative in achieving our vision of aspiring to be the best golfing and social experience on the Central Coast for our members and community is ...

***“The provision of a golf course that is rated in the top 100 public access courses in Australia, that is a fair test of golf but enjoyable experience for golfers of all abilities, coupled with an improved golf program”.***

- Perrett Webb were commissioned to develop a Masterplan for the golf course.
- We advised members at the 2023 AGM that the Board had received the Masterplan, and that we would commence implementing the proposed Ladies Course and the new 18<sup>th</sup> green during the 2024 fiscal year.
- The board also advised that we required further dialogue with Perrett Webb around certain elements of the Masterplan, and that dialogue is continuing.
- The Board has decided that we will commence work this fiscal year on the new 5<sup>th</sup> and 6<sup>th</sup> holes, and the 17<sup>th</sup> green. This will allow the 10<sup>th</sup> hole to be removed from play and address the current safety issues on the 5<sup>th</sup> and 17<sup>th</sup> holes.



#### 4. Summary

We are all extremely conscious of the challenge in balancing financial objectives and delivering 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 club house and golf course Masterplans, just as our predecessors did before us. They showed great vision, accepted the risk, and provided a legacy for those that followed, by moving from Killarney Vale in the 1950's, and purchasing the land which the club house now stands on.

In closing, I would like to thank Jeff, and his staff for providing a great golf and social experience in the FY2023, and to my fellow directors for so graciously giving of their time.

Malcolm Sheldon

A handwritten signature in black ink, appearing to read 'M Sheldon', written over a long, thin horizontal line that extends across the page.

**President**

Shelly Beach Golf Club