

26 September 2016

Chairmans Report



It is again a pleasure to report that 2016 has seen the clubs financial performance continue to improve posting a profit of \$294,325 (2015 \$256,813).

In the last 12 months we have exchanged a conditional contract for the sale of the underutilised land at the rear of the club. Two (2) of the four (4) conditions have since been met and we continue to work diligently to realise the sale and see a modern Aged Care Residential Facility established on the site. While the contract is unlikely to be completed until late 2017, it will see the club net \$5,000,000 from the sale and place the club in the most stable financial position in recent history.

We also purchased an adjacent property for future use and while this has seen the clubs debt increase we believe it will provide significant future benefit.

While the sale of property remains sometime away we have been active in growing the clubs business with the introduction of live bands on the second Friday of the month with acts like Mental As Anything, abbalanche, the Radiators and many more performing live at your club.

We have also been successful in gaining regulatory approval to increase our gaming machines and continue to provide additional variety and capacity on our gaming floor.

We have also begun to plan a refit of the clubs dated bathroom facilities, something that can only be achieved due to the continued positive trading in the club. Rest assured as a board we are not sitting idle and continue to look to the future.

Each year my condolences go out to those that have lost loved ones in the year – you have thoughts of the club and its members with you.

A special mention must be made to Ross “Rossco” Sinclair who retired from the Board this year after 17 years as a director. Ross was an active Board member assisting the club through many projects applying his skills from the building industry. And while his skills will be missed by the board, his friendship will be missed more by his many friends at the club.

We also wish Scott Caundle the best in his new Secretary Manager role at Dundas Sports Club. Scott also assisted the club through some very difficult times, and we thank him for the time he gave to our club.

Last year members earned more than \$210,000 worth of Rewards Points that can be spent on food and drinks at the club and all you need to do is swipe your card. We are also working to make it even more rewarding to be a regular member at the club.

In terms of Community Support the club contributed more than \$164,000 back to various local community groups to the direct benefit of the Toongabbie Community and our members and when you look at our profit figure that is an amazing contribution.

As always I give thanks to our tireless volunteers, committee members and our dedicated staff, led by our CEO Andrew Lauridsen who strive to service your needs each and every time you visit.

Remember that Community Support is a part of the DNA of this club and when you visit you are INVESTING IN YOUR COMMUNITIES FUTURE.

David Nugent, Chairman

Treasurers Report



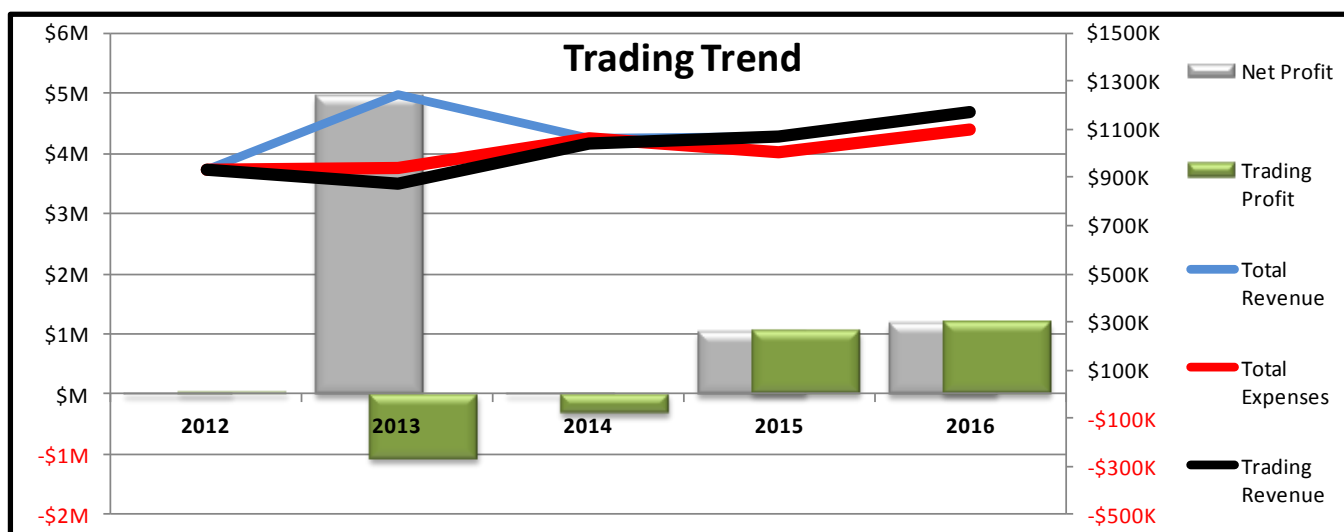
It is pleasing to report your club achieved a profit of \$294,325 in 2016 - an increase of \$37,512 on last year.

Primarily this was again driven by increased club revenue increasing by \$395,122 to \$4,678,787 (+ 9.2%) with Functions and TAB being the trading areas to decline.

Expenses also increased by \$357,610 to \$4,384,462 (+8.9%) which is comparable to the clubs revenue growth. Depreciation increased \$37,353 following additional investment of more than \$400,000 over the last two (2) years and an additional \$26,462 in accounting and audit costs primarily associated with the change in accounting and auditors in 2015.

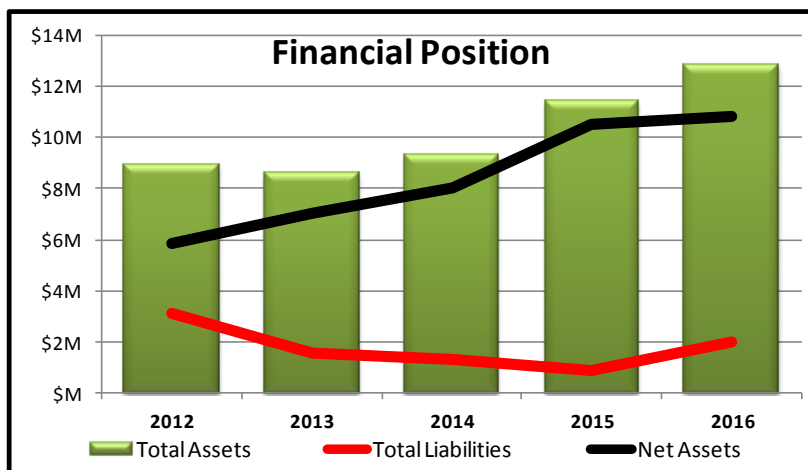
Historically the chart below demonstrates the clubs performance over the last five (5) years. The clubs Trading Revenue (Black) removes one off items - being predominantly the sale of Gaming Licences in 2013 and 2014 in order to show trading revenue as opposed to total revenue.

From this it can be seen that the clubs Trading Revenue has been increasing over the last four years and the club has now posted two years of solid trading profit. While we know we cannot rest on our laurels the indicators are that we are finally seeing the kinds of results needed to sustain the club into the future.



The clubs retains a positive relationship with our bank due to trading and cash management and was able to purchase an adjoining property (10 Wentworth Ave) fully financed late last year that has seen the clubs total liabilities increase markedly on 2015. However as noted in the Chairman's report the purchase was deemed to be beneficial to the clubs longer term future.

The clubs Balance Sheet is equally pleasing showing total assets at \$12,810,514 and Net Assets at \$10,818,776.



While the clubs Total Liabilities increased to \$1,991,738 this was primarily due to the purchase of the property noted above.

From a directors perspective it is very pleasing to note that the club is now in a position that it could settle all Current Liabilities with the clubs Current Assets.

While we remain mindful the completion of the property sale is subject to approvals we are confident it will proceed, but in the interim we will manage our finances carefully to ensure the clubs ongoing viability and provision of services to the local community.

Duane Gorry, Treasurer

Notice is hereby given that the

**ANNUAL GENERAL MEETING OF
TOONGABBIE SPORTS & BOWLING CLUB LIMITED**
ABN 32 001 050 371

Will be held at the premises of the Toongabbie Sports & Bowling Club located at 12 Station Road, Toongabbie on

MONDAY 24 OCTOBER 2016 at 7PM

THE BUSINESS OF THE MEETING IS

- A. To confirm the Minutes of the 2015 Annual General Meeting held on 26 October 2016.
- B. To receive and consider the Reports of the Board.
- C. To receive and consider the Balance Sheet, Profit and Loss Account and the Report of the Auditor.
- D. To deal with any Business of which due notice has been given.
- E. To allow the Members as a whole to ask questions about or make comment on the management of the club.

Ordinary Resolutions

To be passed an Ordinary Resolution must receive votes from a simple majority (ie 50% plus 1) of those members who being eligible to do so vote in person on the Ordinary Resolution at the meeting. Each Resolution should be read in conjunction with the notes to members which follow the Resolution. All members (except Honorary members, Provisional members and Temporary members) are eligible to attend the meeting and vote on the Ordinary Resolutions.

Under the Registered Clubs Act:

- members who are employees of the Club are not entitled to vote; and
- proxy voting is prohibited.

The Board of the Club recommends each of the Special Resolutions to members.

Ordinary Resolution 1

That pursuant to the Registered Clubs' Act:

- (a) The Members hereby approve expenditure by the Club in a sum not exceeding \$25,000 over the following twelve months for the following activities of Directors:
 - (i) The cost of a meal and beverage for each Director immediately before or immediately after a Board or Committee Meeting on the day of that Meeting.
 - (ii) Reasonable expenses incurred by Directors in travelling to and from Directors' or other duly constituted Committee Meetings as approved by the Board from time to time on production of invoices, receipts or other proper documentary evidence of such expenditure.
 - (iii) Reasonable expenses incurred by Directors in relation to such other duties including entertainment of special guests of the Club and other promotional activities as is performed as a Director in relation to the Club which expenses are approved by the Board before payment is made on production of invoices, receipts or other proper documentary evidence of such expenditure.
 - (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 Clubs for the purpose of observing their facilities and methods of operation.
- (b) The Members acknowledge that the benefits in paragraph (a) above are not available to members generally but only for those who are Directors of the Club.

Explanatory Notes

- *In order to comply with the Registered Clubs Act the members must approve the benefits listed above*
- *The Board recommends this resolution the meeting.*

Ordinary Resolution 2

That pursuant to the Registered Clubs' Act:

- (a) The Members hereby approve for 7 Directors, 2 Men's Bowling Club representatives, 2 Women's Bowling Club representatives and the clubs Welfare Officer to be provided priority parking in spaces so designated.

- (b) The Members acknowledge that the benefits in paragraph (a) above are not available to members generally but only for those noted above.

Explanatory Notes

- *In order to comply with the Registered Clubs Act the members must approve the benefits listed above.*
- *The Board recommends this resolution the meeting.*

Ordinary Resolution 3

That pursuant to the Registered Clubs' Act:

- (a) That the Members hereby approve expenditure by the Club in a sum not exceeding \$7,500 for the purpose of providing each Director and the Welfare Officer with a uniform.
- (b) The Members acknowledge that the benefits in paragraph (a) above are not available to members generally but only for those who are Directors of the Club and the Welfare Officer.

Explanatory Notes

- *In order to comply with the Registered Clubs Act the members must approve the benefits listed above*
- *The Board recommends this resolution the meeting.*

Ordinary Resolution 4

That pursuant to the Registered Clubs' Act:

- (a) That the Members hereby approve the members of the board receiving honoraria from the Club to a value of \$2,500 per director.
- (b) The Members acknowledge that the benefits in paragraph (a) above are not available to members generally.

Explanatory Notes

- *In order to comply with the Registered Clubs Act the members must approve the benefits listed above.*
- *The Board recommends this resolution the meeting.*

Special Resolutions

To be passed a Special Resolution must receive votes in its favour from not less than three quarters (75%) of those members who being eligible to do so vote in person on the Special Resolution at the meeting.

Each Special Resolution should be read in conjunction with the notes to members which follow the Special Resolution.

Only Life members and financial Ordinary Members (Bowling) are eligible to vote on the Special Resolutions.

Under the Registered Clubs Act:

- members who are employees of the Club are not entitled to vote; and
- proxy voting is prohibited.

The Board of the Club recommends each of the Special Resolutions to members.

Special Resolution 1

[The First Special Resolution is to be read in conjunction with the notes to members set out below.]

That the Constitution of Toongabbie Sports and Bowling Club Limited be amended by **deleting** Rule 19 which relates to the admission of life members to the Club and in lieu thereof **inserting** the following new Rule 19:

- “19. (a) *“Life Member” means any financial Ordinary Member other than an Ordinary Member (Junior) who may, in consideration of long or meritorious service to the Club or for any other commendable reason, be elected at any General Meeting by a four-fifths (4/5) majority of the members present and entitled to vote, as a Life Member of the Club provided that such nomination is made in writing by two financial Ordinary Members or Life Members and notice thereof has been given with the notice convening the meeting and provided further that the Board has approved such nomination.*
- (b) *A Life Member is entitled to all the rights privileges and advantages attached to the category of membership from which he or she was transferred from on becoming a Life Member.”*

Explanatory Notes

1. The First Special Resolutions proposes to change the eligibility requirements for Life membership in order to allow for the first time Ordinary Members (Non-Bowling) to be eligible to be elected to Life membership. At the moment only Ordinary Members (Bowling) are eligible to be elected to Life membership.

Special Resolution 2

[The Second Special Resolution is to be read in conjunction with the notes to members set out below.]

That the Constitution of Toongabbie Sports and Bowling Club Limited be amended by **deleting** Rule 33(a) which currently provides:

“33.(a) Only the following persons are entitled to attend and vote at any meetings of the Club:

- (i) Ordinary Members (Bowling);*
- (ii) Ordinary Members (Non-Bowling);*
- (iii) Life Members.*

PROVIDED THAT, Ordinary Members (Non-Bowling) are not entitled to vote on any special resolution to amend this Constitution.”

and in lieu thereof **inserting** the following new Rule 33(a):

“33.(a) Only the following persons are entitled to attend and vote at any meetings of the Club:

- (i) Ordinary Members (Bowling);*
- (ii) Ordinary Members (Non-Bowling);*
- (iii) Life Members.*

PROVIDED THAT, Ordinary Members (Non-Bowling) are not entitled to vote on any special resolution to amend this Constitution and FURTHER PROVIDED THAT only members with at least three (3) years continuous membership as the 30th June immediately prior to the election shall be eligible to vote in the election of the Board.”

Explanatory Notes

1. The Second Special Resolution proposes to introduce a minimum period of at least 3 years continuous membership before a member is eligible to vote in the election of the Board of the Club.
2. At the moment there is no minimum period so a member could for example vote in the election of the Board a day after they had had their membership for the Club approved by the Board.
3. The Board considers that requiring members to be financial members of the Club for a continuous period of at least 3 years will allow members to demonstrate their commitment to the Club in order to be eligible to be elected to the Board of the Club.

Special Resolution 3

[The Third Special Resolution is to be read in conjunction with the notes to members set out below.]

That the Constitution of Toongabbie Sports and Bowling Club Limited be amended by **adding** the following words at the end of Rule 47(f), “or, as and from the Annual General Meeting held in 2017, Ordinary Members (Non-Bowling)”.

So that Rule 47(f) would appear as follows:

- “(f) At the first meeting of the Board following an election the Board shall appoint from among its members a Chairman, a Deputy Chairman and Treasurer provided that such members are Ordinary Members (Bowling) or, as and from the Annual General meeting held in 2017, Ordinary Members (Non Bowling).”*

Explanatory Notes

1. The Third Special Resolution proposes to allow Ordinary Members (Non-Bowling) to be able to be elected to the positions of Chairman, Deputy Chairman or Treasurer as and from the AGM held in 2017. Currently only Ordinary Members (Bowling) are eligible to be elected to these positions.

Special Resolution 4

[The Fourth Special Resolution is to be read in conjunction with the notes to members set out below.]

That the Constitution of Toongabbie Sports and Bowling Club Limited be amended:

- (a) by **deleting** Rule 38 which currently provides as follows:

“38. The Board shall consist of seven [7] Directors. Five [5] Directors shall be elected from Ordinary Members (Bowling) and two [2] other Directors may be Ordinary Members (Bowling) or Ordinary Members (Non-Bowling).”

and in lieu thereof **inserting** the following new Rule 38:

“38. Subject at all times to the provisions of this Constitution the Board shall consist of seven [7] Directors. Five [5] Directors shall be elected from Ordinary Members (Bowling) and two [2] other Directors may be Ordinary Members (Bowling) or Ordinary Members (Non-Bowling). provided that as and from the Annual General Meeting held in 2017 four (4) Directors shall be elected from Ordinary Members (Bowling) and three (3) other Directors may be Ordinary Members (Bowling) or Ordinary Members (Non-Bowling). The requirement for a minimum number of Ordinary Members (Bowling) to be on the Board shall not apply in the circumstances where there are insufficient nominations from Ordinary Members (Bowling) as at the date nominations close for the election of the Board or in the case of a casual vacancy or in the case of an appointment of a director arising from and after the removal of a director pursuant to rule 50 hereof.”

- (b) by **deleting** Rules 49 and 50 which relate to the appointment of directors to fill casual vacancies and the removal of directors and in lieu thereof **inserting** the following new Rules 49 and 50:

“49. The board may at any time appoint any eligible Full Member (including an Ordinary Member (Non Bowling to fill a vacancy caused by an Ordinary Member (Bowling)) to be a Director to fill a casual vacancy and any Director so appointed will hold office for such time only as the Director who vacated the position would have held office.

50. The Club may by a resolution of members entitled to vote at a General Meeting remove any Director or all the Directors before the expiration of his or their period of office and appoint another Director or Directors (who may be an Ordinary Member (Bowling) or an Ordinary Member (Non Bowling) as the case may be in his or their place. The person or persons so appointed will hold office during such time only as the Director or Directors removed would have held office if he or they had not been so removed.”

Explanatory Notes

1. The Fourth Special Resolution proposes to make a change to the make-up of the Board.
2. Currently under rule 38 at least 5 out of the 7 directors on the Board must be Ordinary members (Bowling) and 2 may be either Ordinary Members (Bowling) or Ordinary Members (Non-Bowling)
3. If the Fourth Special Resolution is passed by members it will allow for the possibility of a maximum of 3 Ordinary Members (Non-Bowling) to be on the Board instead of the current maximum of 2. It will do this by simply decreasing the minimum number of Ordinary Members (Bowling) from 5 to 4 and by increasing the number of Ordinary Members (Non-Bowling) from 2 to 3.
4. This amendment will take effect from and for the purposes of the Annual General Meeting of the Club to be held in 2017.

Special Resolution 5

[The Fifth Special Resolution is to be read in conjunction with the notes to members set out below.]

That the Constitution of Toongabbie Sports and Bowling Club Limited be amended by **adding** the following words at the end of Rule 41 *“provided that they have been financial members of the Club for a continuous period of at least three (3) years as at the 30th June immediately prior to the election of the Board.”*

So that Rule 41 would appear as follows:

- “41. *Only Ordinary Members (Bowling), Ordinary Members (Non-Bowling) and Life Members are entitled to stand for or be elected or appointed to the Board provided that they have been financial members of the Club for a continuous period of at least three (3) years as at the 30th June immediately prior to the election of the Board.”*

Explanatory Notes

1. The Fifth Special Resolution, if approved by members, will introduce a new eligibility requirement for election to the Board.
2. The change will mean that in order to be eligible to be elected or appointed to the Board a member must have been a financial member of the Club for a continuous period of at least 3 years as at the 30th June immediately prior to the election to the Board.
3. Currently there is no minimum period of membership required in order to be elected or appointed to the Board.
4. This change will allow new members of the Club to demonstrate their commitment to the Club by length of membership and will allow them to become more familiar with the Club before being eligible to be elected to the governing body of the Club.

Special Resolution 6

[The Sixth Special Resolution is to be read in conjunction with the notes to members set out below.]

That the Constitution of Toongabbie Sports and Bowling Club Limited be amended by **inserting** the following new Rule 42A:

- “42A. *A member is ineligible to be nominated for or be elected or appointed to the Board if that member:*
- (i) has been cited to appear before the Board or the Board’s duly constituted disciplinary committee on any charge and has been found guilty of such charge and either expelled or suspended for a period in excess of six (6) months within the period of two (2) years immediately prior to the 30th of June in the year of a Biennial General Meeting; or*
 - (ii) has at any time been convicted of an indictable offence; or*
 - (iii) is a former employee of the Club whose services were terminated by the Club for misconduct.*
 - (iv) was an employee of the Club, or any club that has amalgamated with the Club, within the period of three (3) years immediately prior to the 30th June in the year of a Biennial General Meeting.”*

Explanatory Notes

1. The Sixth Special Resolution will introduce further eligibility requirements for election to the Board all designed to assist with corporate governance and the protection of members.
2. It will, amongst the other items listed in the proposed new rule, provide that any member who is expelled from membership or receives a penalty of at least 6 months suspension from membership of the Club at any time within 2 years of the 30th June before any Board election will not be eligible to be elected or appointed to the Board.

Special Resolution 7

[The Seventh Special Resolution is to be read in conjunction with the notes to members set out below.]

That the Constitution of Toongabbie Sports and Bowling Club Limited be amended by **adding** the following words at the end of Rule 93 *“provided that should the number of Ordinary Members (Bowling) fall below 80 as at the 30th of June in any one year then Ordinary Members (Non-Bowling) shall also be eligible to vote on any special resolution proposed to amend this Constitution at any meeting held within the following 12 month period even if the number of Ordinary Members (Bowling) should exceed 80 as at the date of the meeting.”*

So that Rule 93 would appear as follows:

- “93. This Constitution may be altered or amended only by a resolution passed by a three-quarters majority of Life Members and Ordinary Members (Bowling) who are present and voting at a General Meeting, being a meeting of which at least twenty-one [21] days written notice specifying the intention to propose the resolution as a Special Resolution has been given in accordance with this Constitution provided that should the number of Ordinary Members (Bowling) fall below 80 as at the 30th of June in any one year then Ordinary Members (Non Bowling) shall also be eligible to vote on any special resolution proposed to amend this Constitution at any meeting held within the following 12 month period even if the number of Ordinary Members (Bowling) should exceed 80 as at the date of the meeting.”

Explanatory Notes

1. The Seventh Special Resolution seeks to amend Rule 93 which deals with amendments to the Club's Constitution.
2. Currently only Life Members and Ordinary members (Bowling) are able to vote on a Special Resolution which seeks to amend the Club's Constitution.

If the Seventh Special Resolution is approved by members then if the number of Ordinary Members (Bowling) falls below 80 as at the 30th June in any year then if a general meeting of the members of the Club is held within the next 12 months then Ordinary Members (Non-Bowling) will also be able to vote on a Special Resolution to amend the Club's Constitution.

This change will make the process of amendment of the Club's Constitution more democratic in the case where the number of bowling members of the club falls below a relatively low level of 80 members.

INFORMATION TO MEMBERS

As permitted by the Corporations Act 2001 Sect 314 the Full Financial Report for the year; the Directors Report for the year; the Auditor's Report; will be available from our website, www.toongabbiesportsclub.com.au; via post upon written request or via electronic copy upon request to info@toongabbiesportsclub.com.au from Monday 26 September 2016.

Members are advised that questions concerning the Balance Sheet, Profit and Loss Statement or Auditors Report must be in writing and handed to the CEO by 5.00pm by Monday 17 October 2016 and that otherwise no new business, notices of motions or resolutions can be considered at the AGM.

Dated 26 September 2016 by Direction of the Board
ANDREW LAURIDSEN
Chief Executive Officer, Toongabbie Sports Club Ltd



FINANCIAL STATEMENTS

Members are advised that the clubs audited accounts will be available from the clubs website (www.toongabbiesportsclub.com.au), from club reception and mailed on written request.