

# Pacific Palms Recreation Club



## **PACIFIC PALMS RECREATION CLUB LIMITED**

ABN 47 000 910 378

ACN 000 910 378

### **ANNUAL REPORT**

#### **Directors Report**

FOR THE YEAR ENDED

**30 JUNE 2022**

TO BE PRESENTED AT THE  
**ANNUAL GENERAL MEETING**  
TO BE HELD AT THE CLUB ON  
**SUNDAY 23 October 2022 at 10:15am**

3957 THE LAKES WAY, ELIZABETH BEACH, NSW

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## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of the Pacific Palms Recreation Club Limited (ABN: 47 000 910 378) will be held on Sunday 23 October, 2022 commencing at 10.15am.

### **AGENDA**

1. Apologies
2. Minutes Silence
3. Confirm the minutes of the Annual General Meeting held on Sunday 17 October 2021
4. To appoint from among the members present five (5) persons who shall appoint one (1) of their number Returning Officer with the remainder being Assistant Returning Officers all of whom shall act on and for the purpose of the ballot
5. To receive and adopt the Auditor's and Director's reports for the financial year ended 30 June 2022
6. To receive and adopt the Full Financial Report for the year ended 30 June 2022
7. To declare all Board of Directors positions vacant
8. To appoint a temporary Chairman
9. Election of the Board of Directors for the ensuing year
10. To consider and if thought fit approve payment of Honorariums to the Board of Directors
11. Ordinary Resolutions – to consider and if thought fit pass Ordinary Resolutions conferring benefits on Directors
12. Special Resolution – adoption of new Constitution (refer to Notice of Special Resolution)
13. To deal with any business of which due notice in writing has been given
14. To receive recommendations for the incoming Board

Nominations for Board positions must be received by no later than Saturday 15 October 2022 at 12 Noon.

Any clarification of the Full Financial Statements that requires an answer at the Annual General Meeting to be placed in writing to the Club President Mr L Schubert by Saturday 15 October 2022 at 12 Noon.

### **DIRECTORS HONORARIUMS**

That the members approve an honorarium of \$2000 each for the Executive Directors which include the President, Vice President and Treasurer. Further, that the members approve an honorarium of \$1000 each for the remaining four (4) directors.

### **FIRST ORDINARY RESOLUTION**

“That pursuant to the Registered Clubs Act:

- (a) The members hereby approve and agree to reasonable expenditure by the Club for the following activities of the Directors:
  - (i) The reasonable cost of a meal and beverage for each director immediately before or after a Board or Committee meeting on the day of that meeting when that meeting corresponds with a normal meal time;
  - (ii) Reasonable expenses incurred by directors in relation to such other activities including entertainment of special guests of the Club;

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- (iii) Reasonable expenses involved in attending intra-club activities at the Club or the community and other promotional activities performed by directors and supported by the Board;
  - (iv) Reasonable costs of Directors attending functions and activities at the Club which are deemed by the Board to be of benefit to the Club;
  - (v) Reasonable costs of Directors and their spouses in attending functions as required by the Board and the above expenses are to be approved by the Board before payment is made on the production of receipts;
- (b) The members acknowledge that the benefits referred to above are not available to members generally but only those who are Directors of the Club and those members directly involved in the above activities”.

## **SECOND ORDINARY RESOLUTION**

“That pursuant to the Registered Clubs Act:

- (a) The members hereby approve and agree to reasonable expenditure by the Club for the professional development and education of Directors such as:
  - (i) The reasonable cost of Directors attending the Clubs NSW General Meeting;
  - (ii) The reasonable cost of Directors attending seminars, lectures, trade displays and similar organized events as may be determined by the Board from time to time;
  - (iii) The reasonable cost of Directors attending other clubs or similar types of business for the purpose of observing their facilities and methods of operation;
- (b) The members acknowledge that the benefits referred to above are not available to members generally but only to those who are Directors of the Club and those members directly involved in the above activities”

## **THIRD ORDINARY RESOLUTION**

“That pursuant to the Registered Club’s Act the members hereby approve and agree to permit members who are directors of the Club to utilise dedicated parking spaces. The members agree that this benefit is not open to members who are not Directors of the Club”

## **SPECIAL RESOLUTION**

“That, with effect from the conclusion of the Annual General Meeting of the Club held in 2022, the Constitution of Pacific Palms Recreation Club Limited (the Club) in the form presented to the meeting (and having previously been made available to members) be adopted as the Constitution of the Club in substitution for and to the exclusion of the existing Constitution”

For further information refer to the Notice of Special Resolution and Explanatory Memorandum.

## **NOTES TO MEMBERS**

### **First Ordinary Resolution**

The First Ordinary Resolution is to have the members in General Meeting approve reasonable expenditure by the Club in relation to duties performed by the Club’s Directors.

### **Second Ordinary Resolution**

The Second Ordinary Resolution is to have the members in General Meeting approve reasonable expenditure by the Club for Directors to attend seminars, lectures, trade displays and other similar events including Clubs NSW Annual General Meeting and to visit other clubs to enable the Board to

keep abreast of current trends and developments which may have a significant bearing on the nature and way in which the Club conducts its business.

### **Third Ordinary Resolution**

The Third Ordinary Resolution is to have members approve preferential car spaces for Directors.

### **General**

Each of the resolutions must be passed as a whole and cannot be amended from motions from the floor of the meeting or divided into two or more parts.

### **Special Resolution**

The Special Resolution proposes for members to approve the adoption of new Constitution of the Club.

The Club's Constitution is an important document that provides for and underpins the operations, practices and guiding principles of the Club.

Following discussions with Pigott Stinson Lawyers, we were advised that the Club's Articles and Memorandum of Association should be regularly reviewed and updated to ensure compliance with best practice and relevant legislation. As opposed to making a number of piecemeal amendments to the Club's existing Constitution, the Club engaged Pigott Stinson Lawyers to prepare a new constitution which reflects industry best practice and the relevant legal requirements whilst retaining the existing practices and operations for the Club.

1. To be passed, the Special Resolution must receive votes from not less than three quarters of those members who, being eligible to do so, vote in person on the Special Resolution at the meeting.
2. Only Life members and financial Club members are entitled to vote on the Special Resolution.
3. Members who are employees of the Club are not entitled to vote and proxy voting is prohibited by the Registered Clubs Act.
4. Amendments (other than minor typographical corrections which do not change the substance or effect of the special resolution) will not be permitted from the floor of the meeting.
5. The Board of the Club recommends to members the introduction of a new Constitution by passing the Special Resolution.

### **Notice to Members**

In February 2022 the Corporation's Amendment Act 2022 came into effect. This Act enables hybrid and virtual meetings and the sending of meeting-related documents electronically or in physical form.

The Club has therefore elected to send meeting related documents electronically where no formal election exists and the Club holds an email address for the member.

Members can elect to receive meeting related documents by post by calling or emailing the office. Contact details are on our website. If you have already requested to receive notices by post, then that election will remain in force.

## **President's Report**

I am pleased to report a profit of \$148,732 for the financial year ended 30 June 2022.

Our area and the Club have weathered through yet another challenging year with the Covid pandemic locking out our key visitor base (Sydney & Newcastle) from the end of June until early November.

Regardless, we have still been able to provide assistance to many local Community Groups including the Palms Panthers Soccer Club, Pacific Palms Netball and Cricket Clubs, Palms Public School and the P & C Association, the Community Centre, Boomerang Beach Boardriders, Wallis Spirit Dragons, Forster Aboriginal Men's Group, the Surf Club and the Coomba and Palms Rural Fire Brigades.

We also sponsored the Palms Art Festival, Lizzie Beach Caravan Park Quoits Fundraiser, Coomba and Sandbar Golf Clubs, the Special Children's Christmas Party, Koori Kids ANZAC Day and Christmas Party, and 2 of our staff for Dry July. From the proceeds of Two Up on ANZAC Day we were also able to raise almost \$700 for the Salvation Army and Legacy. In total the Club donated over \$15,000 for the financial year.

Club improvements are well underway with an upgrade to the furniture and amenities in the Sports Bar. We also have a new LED outdoor sign to advertise what's happening at the Club, and, at the time of writing, the new Cellar construction was well underway and due to finish mid October.

We are also in the process of getting rooftop solar installed in a bid to reduce our energy costs.

I'd like to draw members' attention to the Special Resolution being tabled at this year's AGM. The Board recently undertook a review of our Constitution in light of the many changes to the Registered Clubs Act and other legislation in recent years. Rather than make numerous modifications to our existing Constitution we engaged the services of Piggott Stinson lawyers to provide us with a more readable and modern Constitution that still reflects the objectives and requirements of the Club.

A copy of the old and new Constitution, as well as a summary of the changes, is available on our website or at the Club Office (during normal office hours).

On behalf of the Board I urge you all to support the adoption of the new Constitution.

Larry Schubert  
President

## **Secretary Manager's Report**

Operationally, there have been several changes this year. A major one was the end of our beer contract with Lion Nathan. Rather than sign another exclusive deal with one of the major brewers, we instead negotiated deals with a number of brewers including independents and craft. You may have already noticed a wider range of draught beers available, and will see more when the new Cellar construction is complete.

Our soft drink contract with Coca Cola Amatil also ended this year, and we have now signed a non-exclusive contract with locally owned Saxbys Soft Drinks. If you have a favourite Saxbys flavour we haven't stocked yet just let us know!

We have also introduced and reintroduced some regular promotions including Raffle second chance draws (for a \$2000 Flight Centre voucher), the \$20 Raffles deal, monthly Bar specials and a schooner draw on Wednesday, Thursday and Friday afternoons around 5pm.

As I mentioned in my report last year, the Club are no longer permitted to allow patrons to drink on-premise beverages on the lawn. One of the major hurdles was the zoning of the lawn area as E3 which precluded any commercial activity. We have been working with Council on rezoning the lawn, and expect this to be approved by the end of the year. Members who live nearby may have received a notice from Council regarding this rezoning and requesting their feedback. We encourage all members to support the rezoning proposal.

In the meantime we are lodging a DA for temporary access to the lawn (allowed for 52 days usage under clause 2.8 of the Local Environment Plan). We have also reached agreement in principle with Crown Lands for the Club to be able to get a licence to use part of the lawn.

I'd just like to close by thanking Karen Sudana for her many years of service. Karen joined the Club as a "Bar Maid" in 1993 and proved to be a dedicated, hard working and reliable employee who was well respected by her fellow staff. She finally retired in 2022 after 29 years' service. On behalf of the team still here – thank you!

Diane Ellis  
Secretary Manager

## **Treasurer's Report**

Financially the Club has experienced another successful year with a profit of \$148,732. It must be noted this result was achieved through an extraordinarily challenging trading period with staffing levels at times so low the club simply had to close for lack of staff. The major closure being one week in early January, the peak trading period of the year.

Revenue decreased across the board: Bar down 18.02%, Catering 11.47% and Gaming 5.14%. Included in revenue are JobSaver payments and other grants totalling \$147,356 compared to \$290,464 in 2021. Keno, TAB and ATM commissions were also lower. All other income was similar to 2021

These decreases must be viewed against the record increases the club experienced in the previous financial year during which the bar grew 34%, Catering 36% and Gaming 51%. Whilst revenue has decreased a large proportion of the revenue gains achieved in the previous Financial Year have been maintained.

On the balance sheet most current asset categories have increased (except inventories) as have most current liabilities. Current assets at \$1,233,205 exceed current liabilities of \$587,191.

The Auditor reported that there were no areas of concern with the club.

Despite the challenging times for business the Board will continue to look to the future and work in a disciplined financial manner towards the delivery of improvements to club facilities for the benefit of members and guests.

Nick Montague  
Treasurer

### **DIRECTORS' REPORT**

The directors present their report together with the financial report of Pacific Palms Recreation Club Ltd ("the Company") for the financial year ended 30 June 2022 and the auditor's report thereon.

#### **Directors**

The names of directors in office at any time during or since the end of the financial year are:

Larry Schubert	President from 16 October 2019 Vice President to 16 October 2019 Elected to the Board - October 1993 Life Member Electrician
Claire Maclure	Vice President from 25 October 2020 Elected to the Board - 29 October 2017 Business management & hospitality
Ken Reynolds	Elected to the Board - 28 October 2012 Past President Life Member Business owner
Nick Montague	Treasurer from 25 October 2020 Vice President from 16 October 2019 Elected to the Board - April 2013 Business owner
Mark Workum	Elected to the Board - September 2013 Retired from the Board – 17 October 2021 Printing and hospitality
Mary-Jane Silver	Elected to the Board – 25 October 2020 Mediation Services
Todd Herring	Elected to the Board – 25 October 2020 Retired from the Board – 17 October 2021 Business Owner
Col Alexander	Elected to the Board - 17 October 2021 Company Director
Steve Church	Elected to the Board - 17 October 2021 Community Worker

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

#### **Company Secretary**

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Ms Diane Ellis was appointed as company secretary on 17 October 2019. Ms Ellis is the Secretary Manager of the Club.

**Life Members**

S Allan, K Clifton, D Hughes, J Palmer, S Kenyon, B Stone, T Johnston, J Blanche, K Reynolds, T Lawson, L Schubert, D Ellis.

**Meetings of Directors**

During the financial year 22 meetings of directors were held. Attendances by each director during the year were as follows:

Director	Board of Directors Meetings		Special Director Meetings	
	Eligible to Attend	Attended	Eligible to attend	Attended
Larry Schubert	13	12	8	8
Claire Maclure	13	12	8	3
Ken Reynolds	13	12	8	8
Nick Montague	13	13	9	9
Mark Workum (1)	4	3	1	1
Mary-Jane Silver	13	12	8	8
Todd Herring (1)	4	2	1	1
Col Alexander (2)	9	8	7	2
Steve Church (2)	9	8	7	4

(1) Retired 17/10/21

(2) Elected to the Board 17/10/21

**Description of Company**

This report covers the single entity Pacific Palms Recreation Club Ltd a public company limited by guarantee.

**Description of Objectives**

The principal objective of the company is to promote sporting and social activities and citizen recreation and to aid in the civic development of the district.

Specific objectives are:

**Short-term**

Our short term objective is to make the Pacific Palms Recreation Club the hub of the community by offering entertainment, sporting activities, dining and other recreation options for the benefit of members whilst being financially responsible.

**Long-term**

As per our Constitution, the long term objective of the Pacific Palms Recreation Club is:

1. To promote sporting and social activities and citizen recreation and to aid in the civic development of the district.
2. To form friendly associations with other social groups.

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3. To establish and maintain a Club for the benefit of its members and their friends.
4. To provide Clubhouses, lounges, refreshment rooms, recreational rooms and properly maintain same
5. To provide meals and other refreshments and to purchase and sell foodstuff and liquors both intoxicating and non-intoxicating, tobacco, cigars and cigarettes, sports equipment and other goods, wares and merchandise likely to be required by members.
6. Subject to the provision of any relevant statute and to the conditions attached to any licence issued therein, to conduct or assist or take part in the conduct of art unions dances, balls or other public or charitable balls, entertainments or functions for the purpose of raising funds and to accept donations or gifts from any source for all or any of the above purposes or for the benefit of or to carry out the objects of the Club.
7. To diffuse and disseminate knowledge and information or otherwise further the objects of the Club by the printing, publication, issue and circulation of papers, periodicals, books, circulars, brochures and other literary or artistic matter and by advertisement of all kinds and by purchase of the exhibition of works of art or interest and by granting prizes and donations.

### **Strategy for Achieving Those Objectives**

To achieve these objectives, the company has adopted the following strategies:

- ensure a wide variety of activities and entertainment is available to members which reflects local interest and tastes
- explore additional options to encourage more visitors to the Club, especially during the quieter months
- sponsor and support local sporting and community groups.

### **Principal Activities**

The principal activity of the company during the year was operating as a licenced club and there has been no change in that activity from the prior year.

### **Measures of performance**

The key performance indicators that the Board of Directors use to monitor the overall performance of the Club are:

- Profit & loss statements
- Cash flow
- Wages versus Sales
- Gross Profit in Bar and Bistro
- Poker Machine Retention.

### **Operating Results**

The result of the company was a profit of \$148,732 (2021: profit \$568,342).

### **Guarantee of Members**

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$2.00 each towards meeting any outstanding obligations of the company. At 30 June 2022, the total amount that members of the company are liable to contribute if the company is wound up is \$8,226 (2021: \$7,886).