

MINUTES OF THE 35th ANNUAL GENERAL MEETING OF POTTSVILLE DISTRICT BOWLS AND SPORTS CLUB LIMITED HELD IN THE CLUB LOUNGE ON SUNDAY 25 October 2015 AT 9.30am (trading as) “Pottsville Beach Sports”

THE CHAIRMAN OFFICIALLY OPENED THE MEETING AT 9.35AM AND WELCOMED ALL THOSE MEMBERS PRESENT.

PRESENT: AS PER ATTENDANCE REGISTER TOTTALLING **56** MEMBERS.

Item 1. Welcome

Chairman B. Brodie introduced and welcomed the Club’s auditor Peter Grant representing Grant & Brady Certified Practising Accountants, Main Street Murwillumbah. Chairman B. Brodie thanked Peter Grant for attending the AGM.

Chairman B. Brodie said that before he called for apologies, he had an apology to make. Chairman B. Brodie said that in his Chairman’s report for 2015 I stated that Repairs and Maintenance was \$60,000 above the previous year. This is incorrect. The increase was in fact \$19,000 or + 29% on last year. I have inadvertently included items that were capital expenses, such as new gaming machine cabinets, new gaming signage etc, and this is shown as Plant and Equipment in item 10. These have been included in our asset register. I would however, like to point out that of the \$85,838 spent on repairs and maintenance, \$34,000 or 39% refers to July – December, and \$51,600 which is 61% refers to January – June. I apologise for this error and will advise each member in writing who has been given a hard copy of the 2015 Annual Report, and I will acknowledge this error in my 2016 report. I will also add that part of repairs and maintenance comes under the direction of the Board, we had previously been very much focused on paying back our loan, and a wonderful job was done of that. Now, when we look at our Mission Statement, it makes no reference to paying off our loan, it focuses on having a good, neat, clean and friendly environment, and this is where we are now focusing our attention. Chairman B. Brodie said he had admitted his error, explained how he would overcome the error, and that it will be included in the Chairman’s report for 2016.

Item 2. Apologies

Bill Stephen, Phil Bennett, David Anderson, Elaine Anderson, Dennis Smith, Anne Brodie, Claudia Osborne, Summer Osborne, Penny Cecil.

Chairman B. Brodie advised that the meeting was being taped to ensure the accuracy of the minutes.

Chairman B. Brodie explained that there was a security guard at the front door of the Club and explained that the Board had made a decision that for this AGM and going forward the Club would engage a security person for the AGM. This was brought about by the fact that a few years ago there was criticism that a member was admitting people into the AGM and that this person may not be credentialed to do so, therefore we need to be seen to be doing the right thing.

Jeff Baldwin (1419) said he could not understand how B. Brodie could have got those figures so out of kilter. Jeff Baldwin said it really draws into question how much we should believe you, whether you put it in writing or say it, you have destroyed your creditability in my outlook.

Chairman B. Brodie responded saying that he appreciated Jeff Baldwin’s right to comment and that he will leave it at that.

Item 3. Confirmation and adoption of the minutes of the 34th Annual General Meeting held 26 October 2014.

As there were no questions regarding the Minutes of the 32nd Annual General Meeting the Chairman asked for the minutes to be taken as read.

Moved Ray Faulder (534) Seconded Camille Bird (1058)
All in favour carried.

Item 4. Business Arising: Nil

Item 5. Questions received 7 days prior, concerning accounts: Nil

Item 6. To receive and consider the Chairman's report, Directors report, Financial Statement and Auditor's Report for the year ending 30 June 2015.

The Chairman asked for the:

Chairman's Report be adopted.

Moved: Trevor Bird (1057) Seconded: Robert Nathan (2753)

John Hawes (716) said that as previously discussed with Chairman B. Brodie, there was a slight miss-wording with the RSL Sub Club. John Hawes said we are not an RSL Sub Club, we are an RSL Sub Branch, and there is a big difference. Chairman B. Brodie, acknowledged this and had changed that in his report, and will make sure this does not reoccur in the future.

Directors Report be adopted.

Moved: Ray Faulder (534) Seconded: Ray Howland (1193)

Financial Statement be adopted.

Moved: Brian Duncombe (441) Seconded: Ray Howland (1193)

Auditors Report be adopted

Moved: Alan Meighan (257) Seconded: Trevor Bird (1057)

Jeff Baldwin (1419) said that he found it questionable that he had sent two (2) emails, one directly to you and the other one copied to you and to the auditor. Neither of you have had the courtesy of acknowledging it in anyway. I do not believe for one minute that it is because you are too busy.

Chairman B. Brodie said that the first email was actually sent to Roy Gleeson and you addressed it to Roy Gleeson and you copied it to myself, Peter Grant, the accountant. Now that is purely a copy, there is no need for anybody to respond to a copy. Chairman B. Brodie said that he had spoken to Peter Grant and... Jeff Baldwin interjected and said there may be no obligation but there is a need. Chairman B. Brodie responded that the email should have been addressed to himself personally or to Peter; you actually copied us on information that you sent to Roy Gleeson. This was the way it was viewed by me, I spoke to Peter and he was of the same opinion.

Peter Grant said that he did receive a copy of the email but that Jeff Baldwin did not direct anything to him, and that it was directed to Roy Gleeson, and that he wasn't asked to respond. Peter Grant said he wouldn't respond unless he was asked and certainly would not give any information out that he thought was confidential unless directed to do so by the Board.

Jeff Baldwin said he agreed that confidential information should not be given out, but there is a courtesy to acknowledge that the email has been received. Jeff Baldwin reported that Greg Sawtell had not received his copy and when he was alerted to this he re-sent it, however until today he was unsure whether the emails were received. Jeff Baldwin felt B. Brodie and Peter Grant were remiss in what they failed to respond.

Chairman B. Brodie said he had to disagree with Jeff Baldwin entirely, and said if the communication was addressed to him, he would have responded. It was addressed to Roy Gleeson. Jeff Baldwin said that the latter one was not addressed to Roy Gleeson. The letter itself was but the email to which the letter was an attachment was addressed to you (Bill Brodie) personally and to Peter (Grant) personally and to Greg (Sawtell) personally.

Chairman B. Brodie said no, you are incorrect. If you are talking about the second (2nd) one, was this the one you sent on Friday. Jeff Baldwin replied saying yes. Chairman B. Brodie said that he could assure Jeff that he was cc'd on that one, and it was addressed to the General Manager, and it left your computer at 12.37pm on Friday. The General Manager was on approved rostered day off on Friday. Chairman B. Brodie said he received his copy on Saturday, and again I was copied, I had no intention of acknowledging that. It was addressed to the General Manager. Jeff Baldwin said that the email itself was addressed to various people. Chairman B. Brodie responded saying that he had the email in front of him and proceeded to read it aloud 'To the General Manager of Pottsville Beach Sports Club, attention Michael Judd', so I am sorry, it was not addressed to me. Chairman B. Brodie said that it was time to move on.

Item 7. Confirmation of continued patrons Bob Shaw and Narelle Tait

Chairman B. Brodie asked current patrons Narelle Tait and Bob Shaw if they both wished to continue in their role as Club patrons.

Narelle and Bob both accepted the position of Club Patrons.

Item 9. Confirmation of auditor's Grant & Brady 2015/16

Grant & Brady are again engaged to complete the Club's audit 2015/16.

Item 10. Members to appoint Returning Officer for 2014/15

Chairman Bill Brodie asked for someone to move a motion to appoint John Hawes (716) as Returning Officer for 2015/16.

Moved: R Faulder

Seconded: A. Hoesman

Item 11. Election of Directors, 1 x Chairman, 2 x Deputy Chairmen, 6 x Directors:

One (1) returning officer **John Hawes (716)**

Returning officer John Hawes read from the Club's Constitution clause 49(a) *"The business and affairs of the Club and the custody and control of its funds shall be managed by a Board of nine (9) Directors, consisting of the Chairman, two (2) Deputy Chairmen and six (6) Ordinary Directors."*

At the closing of nominations we had the required number of nine (9) nominees, therefore there was no requirement for a ballot.

Appointed Directors 2015 – 2016.

Chairman	Bill Brodie	No.1352
Deputy Chairman	John Morris	No. 15
Deputy Chairman	Heather Woodbridge	No.1366
Directors	Debra Goyen	No.1723
	Lucille Downward	No.1308
	Coral Withers	No. 2831
	Andrew Browne	No.1267
	Phil Bennett	No.3242
	Narelle Tait	No.361

All elected unopposed. John Hawes wished the Board every success for the ensuing year. Chairman B. Brodie thanked John Hawes.

Chairman B. Brodie invited Narelle Tait to join the Board of Directors at the table and explained Phil Bennett's absence from the AGM.

Chairman B. Brodie thanked Bill Stephen for his service to the Board and said he was an asset to the Board. Chairman B. Brodie also thanked Judith Tuckey, who was instrumental in a number of very important things in the Club. Judith was on the Finance and Audit Committee, and was persistent in ensuring that things were absolutely right, and would spend time ensuring they were correct. Chairman B. Brodie complimented Judith on her tenacity on getting a job well done. Chairman B. Brodie pointed out the improvement to the carpark and explained that Judith spent upwards of thirty (30) hours negotiating with the various tenderers and Judith, along with Michael put a recommendation to the Board of who

the successful tender was to go to, she then worked with Michael and supervised the job. Judith has over thirty (30) years experience in that field. I would like to personally thank Judith for her input whilst on the Board.

General Business:

- Jeff Baldwin (1419) said that some years ago it was noted that all Directors would attend Directors training. Jeff Baldwin asked if the Directors had completed training and if not, why?
Chairman B. Brodie said he was aware that by June 2016 fifty percent (50%) of the Board of Directors are to have completed that training. By June 2018 the other fifty percent (50%) are to have completed that training. The General Manager Michael has been managing this particular project, so I will pass over to Michael.
Michael Judd (General Manager) said that remaining Directors had completed the CDI training which comprised of mandatory training. Michael said that he had the paperwork from ClubsNSW which documented the training. The new Directors which are Narelle Tait and Phil Bennett would have one (1) year to complete the training. Michael Judd thanked Jeff Baldwin for the question.
Chairman B. Brodie said he would like to add to what Michael Judd had said and say that the training involved about twelve (12) hours of study before hand. Online the Corporate Governance took about three (3) hours and the Finance module took upwards of seven (7) hours, so they well and truly put in. I can assure you each of them have a much improved knowledge of the Corporate Governance of Club life and also the Financial aspects of our reporting documents.
Chairman B. Brodie asked if any member would like to speak to that.
- Jeff Baldwin (1419) said, that being the case, why is it that the monthly accounts are on a year to date basis that the end of June was so far away as to the net profit, to what Peter (Grant) came up with in his Audit that you felt that all these Directors were confident in their work when they were sailing blind without a chart or if they did have a chart it was one that would get them onto the rocks in very short order.
Chairman B. Brodie responded saying that Jeff Baldwin was speaking in very colourful language and that he was a bit offended by that. Chairman B. Brodie said that the report that came from our Accountant showed that we had approximately \$82,000 in trading profit, and anybody who was given that, was told that these figures were un-audited figures. And as such they were then checked by the Auditor and there were a significant number of changes made and they were changes pertaining to a number of different things. I can assure you that it is not the duty of our Directors to be in the office checking data entry – and I am not suggesting that there were any data entry mistakes made – but a Director’s responsibility is to ensure that we have in place a General Manager who will oversee the administration of the Club, and will oversee the activities of those clerical people. It is a Director’s responsibility to ensure that we also have sufficient trained, experienced clerical people, and we definitely have that in this Club. Chairman B. Brodie went onto explain it is also the Director’s responsibility to put in place an external accountant who extracts that information electronically, compiles it into a report that is returned to the General Manager, who in turn calls a Finance & Audit Committee meeting – after he and the clerical staff check over the report – and we highlight various trends or anything which needs to be changed, and then it is the Auditors’ responsibility to attend the Club intermittently throughout the year to check various things and then at year end to do an extended scrutiny of the Club’s administrative area and produce an Annual Report.
Chairman B. Brodie said that there is no way in his mind that the Directors could have identified those errors, but if you (Jeff Baldwin) have a different opinion, that is fine.
Jeff Baldwin said if you owned shares in a company and the company reports so far from reality at the half year mark wouldn’t you sell your shares or sack the Directors?

Chairman B. Brodie replied saying that Jeff Baldwin was talking absolute hypothetically now, but he could assure you that if you had shares in a company you would be directed by the financial report that was produced by auditors, and that is where we are coming from.

Jeff Baldwin replied saying that the Auditor has a responsibility to make sure that the record keeping by the company staff is sufficiently accurate. Does Peter (Grant) feel that the record keeping was on track? I don't see how he could have as it was so far off track and we haven't been told what the differences really were.

Peter Grant responded saying that we did have a number of audit adjustments to the financial statements. This is not unusual to find that when we do an audit that there are adjustments required. It would be highly irregular to communicate that information to the general meeting. We do communicate this information to the Directors, and they would be aware of the journal adjustments which were made. There was a change of accountant in January as well.

Jeff Baldwin interjected saying that they hadn't been told that there was a change of accountant.

Peter Grant replied saying that there are a number of things which happen in the Management of a Club which don't need to be communicated to all the members.

Jeff Baldwin asked who's decision it was.

Peter Grant responded saying that it was a matter for the Directors to respond, but as far as your question to me, am I satisfied with the internal control, if I have any comments regarding internal control, we communicate them to the Directors and we consider their response. However, I am not going to go through those issues here in a general meeting, it is out of line.

Chairman B. Brodie thanked Peter Grant for his response.

Chairman B. Brodie said that he would like to answer the question about why we changed accountants. Chairman B. Brodie explained that Greg Sawtell (the previous General Manager) had a desire to move from Troy O'Keefe, the local accountant, as we were not satisfied with the service which he was providing, treating us very much like a second rate citizen, we were not getting our reports on time. Greg Sawtell did a lot of good work on acquiring a new accountant, and that is why we moved.

- Jeff Baldwin (1419) asked if the members in the coming year going to be able to receive copies of the monthly reports produced from Andersons (Club accountant), as it seems that it could benefit everyone by having that, or are the Directors trying to keep everything secret?

Chairman B. Brodie replied saying that once again he was offended by Jeff Baldwin's tone. I can assure you that the requirements, from the Club Director's Institute (CDI) and various Acts, that members are entitled to a quarterly financial report. Now we have been surpassing that, and been providing a report from our Reckon system on a monthly basis. Some members have been receiving reports on an ongoing basis. Roy Gleeson is one such member and has been receiving a report from Anderson's and Associates (Club accountant) and I believe he may have been informed that this was to cease. I know Greg Sawtell has also been getting a copy, and they are the only two (2) members that have been continually getting a copy of the report.

Chairman B. Brodie reported that prior to this meeting he had a chat with Roy Gleeson and asked him if he would prefer to keep receiving the report in the style that Anderson and Associate supply. Roy Gleeson said he would prefer this.

Chairman B. Brodie said that he would take this back to the Board of Directors and the General Manager and that there is every possibility that the Club can continue to provide this report.

Chairman B. Brodie asked Jeff Baldwin if he had answered his question. Jeff Baldwin replied that the question had been sufficiently answered.

- Ray Faulder (534) said that if Jeff Baldwin was so interested in getting the figures all the time, that perhaps he may consider joining the Board. Rather than coming here to criticise, he could get all the information he wants.

- Chairman B. Brodie advised that the Club had carried out a Proposed Directors' Information night and that was widely publicised. One (1) person attended that forum and that was Phil Bennett. Jeff Baldwin interrupted Chairman B. Brodie to ask how it was publicised. Chairman B. Brodie asked if Jeff Baldwin would mind letting him finish. The person who attended the information session, went on to nominate for a position on the Board. Members of the Board invited Phil to nominate; members on the Board also invited Narelle Tait to nominate. No other members showed interest in nominating for the Board. As to how it was advertised, as per requirements, it was advertised in the Club, and you would only know that if you visited the Club, and anybody who was wanting to be on the Board, one would imagine would frequent the Club.
- Penny Baldwin (1418) said that she was not an accountant, but was curious, having been in senior management positions, as to why you have such a number of accounting programs. One at the Club, one at the Auditors and one at the Club accountants. Can you tell me why you have that?

Peter Grant explained that the Club accounting program is used for compiling the monthly figures. The information is then exported to the Club accountant who then produces the monthly reports in their system and the Auditors come in to review the general ledger which is produced by the two (2) systems. We do not replicate it at our office. Why are there a lot of systems, because there are a lot of things going on in a Club. Jeff Baldwin (1419) interjected and said that Peter Grant did not believe what he was saying, and that he (Jeff Baldwin) did not believe what Peter Grant was saying, and that Peter Grant was too smart to believe it himself. Peter Grant replied saying he was asked why there were so many systems in place. Penny Baldwin clarified that she asked why there appeared to be three (3) different systems. Peter Grant explained that there weren't three (3) systems, that there were three (3) locations accessing the system.

Penny Baldwin said that the Club produces its figures on one system. Are the figures produced by the accountant, produced by a different system? Peter Grant replied that the accountant processes on his system. The general ledger that produces these financial statements is the final set.

Trevor Bird (1057) took the microphone and said that he does a tax return every year, and he has a spreadsheet on his computer. Much to his disappointment he does not have the same software as the tax department.

Chairman B. Brodie said that when we moved from our old accountant Troy O'Keefe, he had a different accounting system to the current accountant. If we were all owned by the one company, possibly we could have the same system.
- Ken Morris (1886) said that he had come from a Club which has struggled for ten (10) years and hasn't made a profit for ten (10) years, so he would like to congratulate the Board on another successful year, and stress the importance of containing overheads which a lot of Clubs struggle to do. Well done.
- Chairman B. Brodie stated that it had been reported to him that various members in the Club that are going around, even as late as the last few days, telling people who will listen, that the Club is going broke and will be bankrupt in the next six (6) months. Chairman B. Brodie said this was absolute rubbish and these persons are doing an injustice to themselves, because the people who know what happens know that they are so misled, or they are lying or they are deceitful or a mixture of the lot. One particular person was telling people that our Auditor was wrong and we didn't make a \$32,000 profit, we made a loss of \$40,000 and the Auditor doesn't know what he is doing. The person who told me this was told that Jeff Baldwin had said the figures were wrong. Now not for one moment am I putting this on you Jeff (Baldwin) but

that is what goes on in Club life. We have a core group of people that enjoy creating problems.

Jeff Baldwin said that your figures merely show, and they are questionable figures, as he had been saying all along, that you made a profit in the seven (7) months to mid January and made a loss from January to June, and you are showing that you owe \$600,000 or so to the Commonwealth Bank and you are not repaying any principal, and when you get to the end of the three (3) year period you not showing where you are going to get the money from to repay that money. You leave yourself standing there naked. You say a lot of things, and waffle all around the point, and don't identify the facts. Chairman B. Brodie asked if Jeff Baldwin was finished. You do not instil faith into anyone who is looked at your reporting whether it is in figures or in words. You have disillusioned too many people, even though you have got support from a number of people here today. There are also others who would like to think we could have a change. The way the Board is elected is questionable, questionable in the extreme.

Chairman B. Brodie said this was absolute rubbish. Jeff Baldwin interrupts to say if it's good enough for the Tweed Heads Bowls Club to have voting on the day and they are a bigger Club than we are. Chairman B. Brodie said if we had onsite voting today, we would have nowhere near the true representation of what the members want. We have sixty (60) odd people here today, we are legal if we have a quorum of over thirty (30). The only way to gain opinion and voting diversity is by having pre-polling because the members here today would not make up two and half percent (2.5%) of our total membership. Now the Board is definitely very serious about getting as many members to vote as possible and the way to do that is to enter into a pre-voting facility. This worked very well last year, we actually had two hundred and eighty four (284) people vote which is the highest number of votes that this Club has had in my experience in this Club. Other Clubs that are doing well operate with pre-voting. I know a number of people don't like it, well that's bad luck because the voting is carried out in the manner decided by the Board.

Jeff Baldwin commented, 'so much for democracy'.

Chairman B. Brodie replied that if Jeff Baldwin really didn't like it, he could certainly nominate for the Board.

Jeff Baldwin replied that he would be swamped. That Chairman B. Brodie had his own team on the Board and you are secure in that position.

Debra Goyen (1723) said that she took offence to that comment.

Jeff Baldwin said that he would not sit on a Board with Chairman B. Brodie and that Chairman B. Brodie would not want him on the Board.

Alan Meighan (257) said he was a lifetime member of the Club, former Director for a number of years. We seem to have to put up with this at every AGM. If Mr. Baldwin doesn't have any positivity or proof of the runnings of this Club after the Auditors report has been accepted and received. I believe most of the members here are very happy with the Directors, Manager and the staff of this Club and I feel the Club is running extra well at this stage, why should we go on with anymore of this stuff, let's get on with the rest of the meeting.

Chairman B. Brodie called for any further general business, with there being no further general business, Chairman B. Brodie said he could assure the members that the Club was in a healthy position and primed for the Christmas period.

John Hawes (716) took the microphone and said that last year was our first year of pre-polling, it was slow, and there were a lot of votes. This year method was to be that when the voting closed on the Saturday we would sit down and count, then this morning all we would do was declare the vote. Last year was a hiccup because I had to come back on that morning and count the vote. It is a lot easier this way, and if you don't like it, that's your opinion. It gives more people the opportunity to vote and have a say at what's going on in this Club, and I feel the Board made the right decision.

Debra Goyen (1723) addressed the meeting and said to Jeff Baldwin that she took offence to his comments and the suggestion that the Board were puppets of Bill's. The Director's have their own qualifications and credentials. As for Mrs Baldwin who said that she had a high administration management position, I too have a high administration management position. Debra Goyen said that she has managed large budgets totalling over 1.2 million for a period of over fifteen (15) years and currently holds a position as an administration manager handling large budgets in this role too, and held a certificate four (4) in business administration, a work health and safety certificate and various other credentials. Each and all of the Directors hold their own credentials and don't appreciate being put down.

Michael Judd (General Manager) took the microphone and said that he believed the three main key ingredients in developing a successful club is firstly, staff - without incredible dedicated staff the club would not function at the level it is today. A well organised team must aim for impeccable customer service, consistency in performance and standards and feel that they are important and integral part of the team.

Secondly the venue – It is the Board of Directors and Management responsibility to strive towards providing a Club which not only looks good but also meets the industry standards for safety, and OH&S and maintenance, whilst remaining modern and relevant to the Community. It is a high priority for the Board and Management to ensure our staff and patrons are free from harm when working or enjoying themselves at our wonderful Club. Finally the environment - The club also needs to strive in providing our patrons with an exciting and vibrant Club in which they want to spend time, with fantastic food, enjoyable entertainment, continual and on-going promotions & events, excellent bowling greens, and a place where members feel they belong.

Our Club now has in place a budget and forecast, and this will steer us well into the next financial year and beyond.

The new \$7000 CardPay system in the Gaming room has been up and running now since May, this has been well received by members and has definitely been met with enthusiasm by customers and staff alike. Whilst one draw-card was definitely freeing up staff by removing the time consuming manual hand payout and hopper fills, the \$7000 was not installed to reduce staffing costs. Other benefits included the privacy for gaming patrons (as to wins, losses and payouts) and the appeal of the Club utilising modern technology, and the increased accuracy and reducing the potential for human error. The flow on benefit of this system for the bar staff has been that they are now freed up to attend to serving members with beverages etc in the gaming room but also allowing staff to attend to other jobs behind the bar and ensure the bar and TAB/Keno area's are attended to.

The success of the gaming room has led to increased patronage and turnover, which has seen a flow on effect with the Club receiving a \$58,000 increase in poker machine tax for the 2014/2015 financial year which has a significant impact on our bottom line.

During 2015 the Club has enjoyed an increase in sales revenue of \$193,000, an increase in gross profit of \$105,000 and an increase in poker machine net revenue of \$180,000 plus an increase of other income of \$90,000 whilst as noted spending money on repairs and maintenance - Improvements, providing employment for members of the community, offering free training and development courses in hospitality to all staff, maintaining high quality bowling greens in accordance with the Constitution, maintaining and up grading the kitchen and restaurant, providing an enjoyable environment and entertainment and ongoing promotions for our members and ensuring the Club is ready for the Christmas trade which is the pinnacle of our trading year.

As we are all aware our Club is a not-for-profit organisation. The Board of Directors and Management's main priorities are to give back to the community, give back to our members and continue the improvements throughout the club in terms of repairs and maintenance, marketing, promotions and increased entertainment. The Board of Directors and Management are committed to these priorities.

In Michael's view the Club is not just about 'bottom line', profit and loss and loan reductions. It is a true community organisation, the Board of Directors and Management are committed to putting back into our wonderful community and its people. 'It's what's inside' is more

relevant than ever as we have a happy and vibrant venue. I personally have a wonderful working relationship with the current Board of Directors and we share the same vision for the future.

In closing Michael encouraged all members of the club to focus on the positive aspects that are happening within the whole spectrum of the Club's activities and I invite you all along for the journey.

Chairman B. Brodie said that he would like to take the opportunity to acknowledge Mitch the caterer. Mitch recently had a visit from the Tweed Health Department and achieved a five (5) star rating for cleanliness within his facility and he will receive a certificate stating that, and Chairman B. Brodie felt that this deserved a round of applause as this is the first time this has ever happened in this Club. Further down the track if Mitch is able to do it, Mitch can show you his back preparation room which has just been fitted out by Barry Simmons. It looks highly professional. We are all very proud of Mitch and his achievement.

Chairman B. Brodie asked how much profit we really wanted from this Club. In his time on the Board he had seen upwards of \$200,000 and down to \$30,000. When Chairman B. Brodie and Greg Sawtell first started on the Board the Club had shown a loss on the previous year. If you want to show a profit and improve business, it's not all that difficult. We can improve the EBITDA by improving our gross profit percentage. This is done by putting roughly an eight (8) – ten (10) percent price increase on the product. That would make a schooner roughly \$5.00 and a middy roughly \$4.00 along with an increase on all other beverages. We could then look at reducing our costs. We put roughly \$700,000 out into the community in wages. We could reduce that by ten (10) percent. Our EBITDA would improve to about seventeen (17) percent. So then the beer is costing us more and it's taking longer to get it. No one's happy. So we need to strike an even keel, and the way the Board is steering this Club is to achieve this.

The Chairman closed the meeting and invited all the members present to enjoy refreshments.

Closed at 10.25am

Chairman

Secretary