

THE FRATERNITY BOWLING AND RECREATION CLUB LIMITED
A.C.N 001 005 545
NOTICE OF ANNUAL GENERAL MEETING 2017

Notice is hereby given of the Annual General Meeting of the Fraternity Bowling & Recreation Club Ltd to be held in the Club's Auditorium, 11 Bourke Street Fairy Meadow on Monday, 27 November 2017 at 7:00pm.

AGENDA

1. Present
2. Apologies
3. Receive the minutes of previous annual meeting
4. Business arising from minutes
5. Adoption of minutes
6. Receive and consider the Director's Report, Auditor's Report and Financial Report for the financial year ending June 30, 2017
7. President's Report
8. Election of Officers – President and 3 Directors
9. To consider and if thought, pass the First and Secondary Resolutions in relation to Director's benefits as set out below
10. General Business

FIRST ORDINARY RESOLUTION

Pursuant to the Registered Clubs Act, the members hereby approve the following payments and benefits which are not available to members generally but only to those who are members of the Board of the Club and the other persons referred to below:

- a) The reasonable expenses incurred by members of the board for travelling in relation to and from their duties as members of the Board and as approved by the Board from time to time provided such expenses are supported by the production of invoices, receipts or other proper documentary evidence of such expenditure.
- b) The reasonable cost of members of the Board attending the Annual General Meeting and Conference of ClubsNSW and separately the Trade Show of ClubsNSW and such other seminars, lectures, trade displays, online training and other similar training as may be determined by the Board from time to time as being beneficial to the Club or as is required to satisfy the compulsory training required of Directors under the Registered Clubs Act.
- c) The reasonable cost of members of the Board attending other registered Clubs for the purpose of viewing and assessing the facilities of those clubs and methods of operation, provided such attendances are approved by the Board as being necessary in the interests of the Club.
- d) The provision of a suitably inscribed Club blazer and uniform for each member of the Board, as may be required by each new director.
- e) Each Director of the Board being entitled to the use of a designated car parking space provided in the Club's car park.
- f) The reasonable cost of a meal and refreshments for each Director of the Board immediately before, during, or immediately after a Board or Sub Committee meeting provided such meeting occurs at a normal meal time.
- g) The reasonable expenses incurred by Directors either within the Club or elsewhere in relation to such other duties including entertainment of special guests of the Club and other promotional activities approved by the Board on production of documentary evidence of such expenditure.
- h) The reasonable costs of each member of the Board and their spouse/partner attending a dinner and other Club or Club Industry functions where appropriate and required by the Board to represent the Club.

The above remains unchanged from last year.

SECOND ORDINARY RESOLUTION

That the members hereby approve the payment of the following honorariums for the period between the Annual General Meeting on 27 November 2017 and the Annual General Meeting in 2018:

- a) Sum of \$5,500 to the President of the Board (which is also to cover his mobile phone expenses);
- b) Sum of \$850 to each of the other Directors of the Board

The above remains unchanged from last year.

By order of the Board of Directors

Greg Field
General Manager
20/10/2017

NOTES TO MEMBERS

1. Once the other business of the Annual General Meeting is concluded and if a ballot for the election of the Board is required, the meeting will adjourn to allow the ballot papers to be counted. Once this is completed, the meeting will reconvene to declare the results of the election.
2. Under the Registered Clubs Act, proxy voting is prohibited and employees of the Club who are members are prohibited from voting.
3. To be passed, each of the two ordinary resolutions above must receive votes in their favour from not less than a simple majority of those members, who being entitled to do so, vote on the resolution in person at the meeting.
4. Annual Reports:
 - a. A number of years ago, all members were provided with a notice, inviting them to elect whether to receive the annual report, being the director's report, financial report and auditor's report in hard copy by post or electronically by email.
 - b. The annual report for the financial year ending 30 June 2017 will be provided in hard copy or by email, to those members who have previously elected to receive the annual report in this manner.
 - c. If you have not previously given the Club written notice electing to receive the annual report, you may still do so by completing and submitting a notice electing to receive the annual report which is available at the reception of the Club.
 - d. Alternatively, members can access the annual report on the Club's website at www.fraternityclub.com.au
5. Core Property and Non-Core Property
In accordance with Section 41J of the Registered Clubs Act, the core property of the Club is the whole of the physical premises and land to the North, South and East of the Club building at 11 Bourke Street, Fairy Meadow. On the 8 November 2011 at a General Meeting of members, the Club's main carpark was declared non-core property.
6. In relation to the resolutions for proposed honorariums, a Director may elect to not receive the payment or to receive only part of that payment, at his or her discretion. Any amount paid and not taken up in the 12-month period commencing from the AGM will become forfeit – that is, a Director cannot make any claim in respect of any unpaid honorariums in respect of a prior year. The honorarium is only applicable for the year approved by the resolution of the members.
7. Financial – Any questions of a financial nature should be received in writing by the General Manager no less than 7 days prior to the AGM.

NOTES TO MEMBERS IN RELATION TO RESOLUTION FOR LIFE MEMBERSHIP

8. Under the Club's Constitution, members who have rendered outstanding service to the Club may be elected to Life membership on an appropriate recommendation from the Board.
9. A person elected as a Life member is relieved from payment of any subscription of levies and has all the rights and privileges of Fraternity membership.
10. To be passed, each of the Resolutions for Life membership require votes from a majority of those members present and voting at the meeting.

By order of the Board of Directors

Greg Field
General Manager
20/10/2017

PRESIDENT'S MESSAGE

Dear Members,

On behalf of the Board of Directors, it is a pleasure to present to the members of the Fraternity Club the Annual Report for the financial year ended June 30th, 2017, to be presented at the Annual General Meeting on the 27th of November 2017.

2017 has been a successful year, with the Club posting a consolidated profit of \$1,001,856 in this financial trading year. When reviewing the result in detail, depreciation increased by over \$150K from the previous year due to the renovations, so when you add this back the result is very encouraging, and the balance sheet reflects this improvement.

During the past twelve months, the Board appointed Greg Field to the General Manager position. Following Greg's appointment, we also appointed Tony Rodrigues as the Club's new Operations & Gaming Manager, and understudy to the General Manager. As we restructured, the objective was to strengthen the Club and build a solid balance sheet to underpin our operations. The Club managed to repay an additional amount of \$700K debt during the year, so the achievement is quite significant. Close attention to the control of direct costs, an increase in top line revenues and qualified capex expenditure were main contributors to the result.

The Board remain firmly focused on our commitment to its members in view of continuing the upgrade of the Club's facilities. Work has commenced on the new wood-fired pizza cafe/restaurant, with an expected completion date being the end of November 2017. The pizza oven is being shipped direct from Italy, and will be the first of its kind in the Illawarra. The air conditioning in the Sunken Lounge was also updated during the year.

In terms of Corporate Social Responsibility, we continued with our contributions through the Club's Grant scheme to many organisations and sporting teams, such as The Disability Trust, Greenacres, and Wollongong Surf Club. Big congratulations to the Port Kembla Football Club, who overcame adversity in winning the Premier League Grand Final and a big thank you to all the sporting teams and associations for supporting the Fraternity Club throughout the year. We also welcome South Coast Taipans to our Club, continuing our vision of being Illawarra's home of football.

During the last financial year, the Directors have participated in Clubs NSW training courses, so they continue to fulfil their duties as Directors and be compliant. I would also like to take this opportunity to thank them all for their efforts as it's an absolute honour to work with such professionals. An outstanding contribution by all.

Finally, to our General Manager, Greg Field, whose commitment has been exceptional, his senior management team, and all the Club's staff. In a year of some changes, you all worked hard and maintained your focus, which was very much appreciated by all. Thank you.

On behalf of the Board of Directors; Management and staff, I would like to wish everyone a very Merry Christmas and a prosperous New Year.

*Fraternity Club President
Mick Cuda*



GENERAL MANAGER'S MESSAGE

Dear Members,

I am pleased to be able to present my first report as General Manager to the members of the Club. It has been a year of changes for the club with the completion of the renovations and several changes in the management team.

Throughout it all, we have produced excellent financial results. Revenue grew by \$468K during the year, and as a result of the good governance measures imposed by the Board, most of the increased revenue was passed through to the bottom line profit of \$1,001,856. This represents a net profit increase of \$356K (55%) on last year. As a result of this strong performance, we have not only increased our cash position by \$600,000, but have also repaid an additional \$700K of debt during the year. This is a great achievement.

During the past year we have supported many local charities, community and sporting organisations such as The Disability Trust, Greenacres, Wollongong SLSC, and the Corrimal Rotary Club to name a few. Once again, we are a major support of football in the Illawarra with our continuous association with Football South Coast. It would be remiss of me not to mention to our Premier League football team, the mighty Port Kembla, on their fantastic GF win. Many members were on hand to witness the great victory.

We have commenced work on the new wood-fired pizza offering, and when completed toward the end of the year, the club will have another outstanding food outlet. We will also continue to improve many other areas of the club that need work after some tough years. While we are aware that there are many things to be done, the Board and management team are committed to making these improvements in a financially responsible manner.

I thank the Board for their assistance over the past 12 months in helping me adjust to the demands of the General Manager role. A special mention for the support and guidance the President, Mick Cuda, has provided over this time. Mick's advice and contribution has been invaluable to me, and is of vital importance as we work closely together on improving the Fraternity Club into the future.

To my fellow managers, thank you for your support during the year. It is a pleasure working with you and your input and dedication to the club is appreciated. A special mention also goes to the staff team, who consistently provide great service to our members and guests. I am proud to say that we have one of the best hospitality teams in the Illawarra.

Finally, thank you to all the members. Without your ongoing loyal support, the Fraternity Club would not be where it is today. I look forward to seeing you all around the club in the coming year.

*Fraternity Club General Manager
Greg Field*



FRATERNITY CLUB ACCOMPLISHMENTS 2017

TOTAL REVENUE GROWTH



FOOD OVER 150,000 meals served from La Trattoria and over 10,000 cannoli sold from the café.



STAFF

150 staff worked OVER 123,000 hours in providing excellent service to members and guests



WE HAPPILY WELCOMED

37 NEW STAFF MEMBERS, and sadly said goodbye to 34 staff, who we wish the best for their future

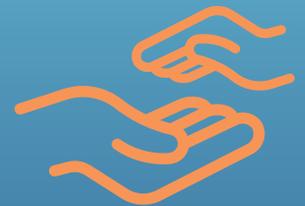


COMMUNITY SUPPORT

HELPED OVER 50

different community groups throughout the year.

Special thanks to the members who made the Giving Tree at Christmas a great success.



FUNCTIONS AND MEETINGS

OVER 47,000

people attended functions or meetings in the club. There were 480 meetings held by sporting clubs and associations at the Frat

MEMBERS GREW TO 14,450



SOCIAL MEDIA

on Facebook, and our posts reached an audience of over 18,000 people in the Illawarra

