

JAN JUC SURF LIFESAVING CLUB Inc A0000388K

58th Annual General Meeting

Held - Sunday 20/9/2020

Location - Clubhouse, Virtual media including Zoom / Phone

Present

D Bartlett, I Blanchonette, J Chin Jewson, S Dale, A Downes, M Field, M Flanagan, S Gordon, A Green, C Green, D Hauenstein, I Heather, R Hess, S Hopkins, N Hough, O Jenkins, S Jewson, R Johnson L Lampard, M Leigh-Smith, G Lightfoot, W McDonald, K McKenna, T Mckenna, R Miano, B Papworth, B Potter, A Reyntjes, J Reyntjes, A Richards, P Saw, S Scammell, I Sedger, D Sibun, P Smith, I Swan, J Taylor, B Thompson, S Thomson, G Thompstone, J Ugrin, B Walsh, K Walsh, T Watson

Non-Voting Members – B Coleman, K Steel, S Bettanin, C Russell

Apologies –

W Bond, B Dunlop, D Jackson, D Moss

The Meeting was held by virtual means, only a few essential members were present in Clubhouse due to Government regulations issued as a result of the Covid 19 pandemic.

Control of the voting etc was monitored by Club Administrator, S Bettanin, with assistance from a representative of RSM who provided their online services to carry the running of the meeting.

A Green opened the proceedings, welcoming Members to the first virtual AGM of the Club.

Attendees were made aware that the online format and conduct of the meeting was accepted so that any challenges arising from any procedural irregularity in, or to, the conduct of the meeting be waived.

Voting methods, question procedures were explained, including the process of removing non-voting members to a “non-voting space” whilst voting was taking place.

Accreditation of Absentee votes received – One request received

Correspondence relative to AGM –

D Jackson had queried some award matters – agreed to defer “off-line” to be handled outside meeting.

Minutes AGM 11/8/2019 read and confirmed –

Motion “That the Minutes of the AGM 11/8/2019 represent a true and correct document of that meeting”.

Moved M Leigh-Smith / I Swan

Carried

Matters arising from Minutes –

1/ Life Membership – Query raised as to the proposed amendments to the Life Membership criteria, pointed out that the prevailing ongoing conditions / restrictions had resulted in the inability to hold review groups.

The proposed initial review by Life Members will be put on hold pending lifting of restrictions.

President’s Review - A Green

The Club has certainly experienced more challenges than expected in this season, proud to say that Club made it through with a strong position heading into another challenging year ahead, with operations and events continuing to experience major disruption and uncertainty.

The Club is well prepared for some of these challenges, being in the midst of the new building requires robust planning that will allow reopening of the facility and maintaining our programs and support to the Community. Use or celebration to open the facility has been deferred, Club focus being shifted to Covid Safe planning to allow the opportunity to finally open the doors.

Members of Board, Audit, Finance & Governance, General Committee, Members, administration staff (S Bettanin / Meagan Mifsud) thanked for their contributions in the past year. Members of the various Boards / Committees who were not seeking re-election were also thanked for their efforts.

Presentation and Adoption of Annual Report (2019/ 2020 Season)

A Green thanked J Chin-Jewson for her efforts in the preparation and the various contributors to the Report. The Annual Report had been distributed prior to the AGM. Providing Members the opportunity to read and provide any feedback.

The main feedback consisted of the following –

- Page 2 The correct makeup of the Audit, Finance & Governance Committee
- Page 13 Awards gained during the 2019/20 Season

Motion “That the 2019/20 Annual Report presented at the Annual General Meeting on the 20/9/2020 be adopted and accepted, subject to the changes identified”.

Moved I Heather / M Leigh-Smith

Carried

Presentation and Adoption of Financial Report (2019/2020 Season)

M Field presented the Audited Financial Report for the 2019/20 Season. Full written report attached.

Highlights –

The past season reflects the overall uncertainty created by the Covid pandemic crisis.

Up to the end of Feb 2020 all “business as usual” areas of the Club were operationally financially stable and the financial statements for the year largely reflect that stability. Covid 19 related closures put on hold many Club activities including the early cessation of patrols, cancellation of Senior Victorian Championships, deferral of all Club activities, including bar and the progression of commercial partnerships discussions.

The impact of these Covid 19 changes will be felt in the coming year.

Income and expenses across core Club activity showed little unexpected material variance over levels of income and expenses in 2019. Notable areas of variance included lower salary costs and \$20,000 received in Federal Grants.

A Special General Meeting was held to provide permission to the Board to release funds from the Lifesaving Fund to assist with building costs.

Fundraising & Events –

Plaudits to Fundraising / Events team for delivering a stellar year, with a combined income of \$177,493 from core events (Note 13 in Finance report indicates the then current position).

Clubhouse Development Activity –

The Club’s financial activity dominated by the Clubhouse redevelopment. Recognition of Capital grants revenue of \$3,708,000 from Victorian / Federal Governments and Philanthropic income of \$115,500 acknowledged.

Bank Loan –

Club entered into a loan agreement with Bendigo Bank for \$400,000. The Bank had been supportive of Club position and deferred payments for a 6 month period. Interest however, will accrue during this period.

Overall impact of Covid 19 on Financial Statements –

Financial statements prepared on a going concern basis and the Board is of the opinion that the Club will be able to pay its debts as and when they fall due. The Board has made this assessment as at the date of the signing of the audit report. In reaching this conclusion the Board has considered the reasonably foreseeable impact of Covid 19 restrictions on Club activities.

In concluding the overview of the financial position, Finance Manager, M Field put the Financial Report for the 2019/20 season to the meeting for acceptance and adoption by the following motion –

“That the 2019/20 Financial Report presented at the Annual General Meeting held on the 20/9/2020 be adopted and accepted, in a bundle, by the membership as a fair and true representation of the financial position of the Club for the 2019/20 season”.

Moved M Field / G Thompstone

Carried

Audit, Finance & Governance Committee

Report on year's activities attached to these Minutes.

B Potter spoke on written report, together with other matters raised.

Highlights –

- Risk Management – Club should endeavour to develop a risk management framework, AF&G to leverage off already known work in this area by LSV. The Committee is working with Board Members in respect of on-going risks.

- Club By Laws – Work is required to update Club By Laws, AF&G has approached a number of Club Members to assist with the development including a review process. Further endeavours to complete this task will be made during coming year.

- Covid 19 – Noted that the limitations of Club activities will result in possible loss of events, fundraising and membership. The Board has prepared a budget covering several scenarios for the coming season.

Generation of income in the overall state of the economy a constant and ongoing pursuit.

- CAV returns / ACNC status - as at 18/9/2020 the Club is compliant with the requirements of Consumer Affairs Victoria and holds charity status with the Australian Charities and Not for Profits Commission.

- Thank you to I Sedger for his efforts whilst on Committee, completing 3 terms of office.

- M Leigh-Smith questioned whether the Committee were working to a list of priorities and what strategies were put in place to determine these priorities. Response being that Committee working to a priority list, with members delegated various areas to concentrate on.

- The Committee agreed with M Field in regard to the financial management of the Club.

Recommendation of acceptance of the Annual report of the AF&G Committee to members was put to the meeting for approval and confirmed by the following motion:

Motion “That the AF&G Committee report submitted to the Annual General Meeting held on the 20/9/2020 is approved and ratified”.

Moved B Potter / B Papworth

Carried

Election of Office Bearers

Board (Directors)

The following nominations were all received prior to closing date of 21/8/2020 and were all verified as being eligible to be voted upon.

Rob Miano chaired the meeting for the Board elections.

<u>Position</u>	<u>Nominee</u>	<u>Nominated by</u>	<u>Seconded by</u>
President	Aaron Green	Andrew Richards	Geoff Thompstone
Vice President	Peter Smith	Kerrie Smith	Daniel Smith
Secretary	Geoff Thompstone	Davina Jackson	Sue Bettanin
Finance Manager	Melissa Field	Geoff Thompstone	Sue Bettanin
Life Saving Services Manager	Grace Lightfoot	Aaron Green	Rebecca Johnson
Lifesaving Skills Development Manager	Steve Jewson	Peter Smith	Jaci Chin-Jewson
Fundraising /Sponsorship Manager	Brad Papworth	Aaron Green	Geoff Thompstone
Juniors Manager	Brett Thompson	Aaron Green	Lucie Thompson
Competition Manager	Tim Watson	Aaron Green	Andrew Richards

A motion encompassing all above positions was put to meeting:

Motion “That the nominations for Board Member positions for the 2020/21 are accepted by the Members of the Jan Juc Surf Lifesaving Club in attendance at the Annual General Meeting held on the 20/9/2020”.

Moved M Leigh-Smith / I Swan

Carried

Approval of Candidates for Official Positions (General Committee)

The following nominations were received prior to the closing date of the 20/8/2020 and met the required criteria to permit voting upon.

<u>Position</u>	<u>Nominee</u>	<u>Nominated by</u>	<u>Seconded by</u>
First Aid Manager	Jemma Ugrin	Aaron Green	Geoff Thompstone
IRB Manager	Richard Elliott	Aaron Green	Brad Papworth
Board & Ski Manager	Anthony Reyntjes	Andrew Richards	Aaron Green
Junior Club Captain	Amelia Reyntjes	Brett Thompson	Anthony Reyntjes
Social Functions Manager	Stewart Talbot	Andrew Richards	Bec Johnson
Club House Manager	Geoff Thompstone	Davina Jackson	Sue Bettanin
Boat Manager	Shayne Lee	Brett Thompson	Lucie Thompson
Communications & Publications Manager	Jaci Chin-Jewson	Peter Smith	Steve Jewson
Communications & Publications Manager	James Taylor	Aaron Green	Brad Papworth

In view of the 2 nominations for Communications & Publications Manager position, both candidates were given the opportunity to state their case for appointment, prior to a silent vote being undertaken.

The result being James Taylor being voted the selected candidate.

The above positions were agreed and accepted by the Meeting Attendees and the following motion was put to the Meeting:

Motion "That the Members approved at the Annual General Meeting held on the 20/9/2020, for the Official Positions (General Committee) indicated above, be recommended to the Board for consideration and approval to hold Office for the 2020/21 season".

Moved M Leigh-Smith / I Swan

Carried

The following positions remained vacant after the election

Gear Manager, Training & Assessment Manager, Beach & Water Manager, Nippers Manager.

Audit Finance & Governance Committee – Position Nomination

The rotation of Members of this Committee resulted in the expiration of the tenure of Ian Sedger on the Committee, hence a vacancy became available for a nomination.

Motion "That Ian Swan be appointed to the Audit Finance & Governance Committee".

Moved M Leigh-Smith / B Papworth

Carried

General Business

1/ Building Redevelopment update Report - P Smith

P Smith provided a report and update on the new facility –

- The official handover from Hutchinson Builders, was delayed, a list of building defects had been drawn up and was being worked through. Some aspects requiring legal reference to determine liability of builder. A bank guarantee is in place for a 12 month period, will be utilised as a lever to obtain a satisfactory result to defect problems.

Noted that had the Club taken earlier possession of the building, awareness of many of the defects would have been unknown.

The handover process was trialled on the basis of rooms / areas being ticked off when up to standard. i.e. First Aid Room completed and handed over to Life Saving Services for use.

The fitout of some areas almost complete, including the kitchen having some functionality.

Radio tower – Will require work to enable usage.

PCG Committee – P Smith thanked members of this group – P Saw, J Van Ooi, A Van Meel, C Fraser and D Ulbrich for their time / commitment provided over the past year.

Cessation of Project Control Group – Formation of a new committee to take over the ongoing responsibilities of building completion / future management of facility.

With the impending completion of the building, envisaged that the original portfolio of the PCG was almost fulfilled.

Proposal put forward of a new Committee being formed to take over the balance of the outstanding completion works and be responsible for the ongoing management of the facility.

Obviously, as the facility opens to full use, there will be greater need for ongoing management and control

A suggested name for new Committee put forward as Facilities Management Group / Committee

The terms / conditions / responsibilities / parameters of this group would need to be instigated.

- *Commercialisation of Facility –*

Discussion took place as to the future commercialisation of the facility i.e. leasing all or some of the hospitality sections of the Club to outside providers.

Expressions of interest had been called, however, whilst some interest had been received, the uncertainty of the Covid19 situation had placed them on hold.

Indications that Club may consider running hospitality aspect themselves for a period, to build a knowledge base on usage etc. to assist in determination of future commercial leasing.

2/ Announcement of Major Awards 2019/20 Season

The Annual Presentation Night had been deferred due to the Covid 19 lockdown regulations, therefore this AGM provided the opportunity to announce the Major Award Winners for the previous year. A form of actual Presentation will be held during the coming season.

President's Award – Daniel Smith

Karl Edwards Memorial Trophy – Jason Scammell

Rosemary Zuluaga Memorial Trophy – Melissa Field

Most Outstanding Junior Male – Jack Ellis

Most Outstanding Female – Olivia Jenkins

Best Overall Contribution to Competition – Shayne Lee

Toff Award – Will McCance

Patrol Service medals – 50 Years John VanOoi

45 Years Ian Swan

35 Years Peter Smith

25 Years Steve Iannazzo

Linfox Safety Medals - Jason Scammell, Amelia Reyntjes

Under 13 Nipper of the Year – Lani Steel

3/ Auditor Appointment

Motion – “That the Board of the Jan Juc SLSC be authorised to endorse the appointment of STS Accounting Group as Auditors for the 2020/21 Financial Year”.

Moved M Field / G Thompstone

Carried

4/ Affiliation with SLSA /LSV

Motion _ “That the Jan Juc Surf Lifesaving Club Inc agrees to affiliate with Surf Lifesaving Australia and Lifesaving Victoria for the 2020/21 Season and abide with their rules. regulations and Constitutions of those governing bodies

Moved G Thompstone / I Swan

Carried

5/ Recommendation from Board re Contribution to Life Saving Services Fund

The Board is not making a recommendation to allocate any funds to the Life Saving Services Fund for the 2020/21 season.

The obvious uncertainty of fundraising / events / Building costs / Covid 19 restrictions providing the rationale to not allocate funds.

6/ Approval of Bank Signatories for 2020/21 Season

Motion “That the approved Signatories for the 2020/21 season for all Bank Accounts held by the Jan Juc SLSC be any 2 of the following Board Members - President, Vice President, Finance Manager, Secretary”.

Moved M Field/ I Swan

Carried

7/ Appointment of Club Covid Officer

Notification that I Swan has accepted the position of Club Covid Officer, responsible for the implementation of all policies / regulation observance as required under Government/ LSV instructions.

A Green closed meeting with thanks to attendees.

Meeting Closed

Finance report.

Annual result

The club reports a profit for the 2020 year of \$3,886,399. This compares to a profit for 2019 of \$1,024,820. Both years contain significant non-operating items relating to the redevelopment of the clubhouse. The current year profit is after recording \$3,708,000 as capital grant revenue associated with the clubhouse redevelopment. In 2019 this was \$950,000. Club redevelopment costs have been capitalised and are reflected on the balance sheet, not in the annual profit and loss statement. Excluding capital grant revenue, the underlying profit for 2020 was \$178,399. In 2019 this was \$74,820.

Business as usual – ongoing operational

Up until the end of February 2020 all 'business as usual' areas of the club were operationally and financially stable and the financial statements for the year largely reflect that stability. We had even started to see some activity through our downstairs 'temporary' bar! Covid 19 related closures put on hold many Club activities including the early cessation of patrols, cancellation of senior states competition, closure of the clubhouse and deferral of all clubhouse activities, including the bar and the progression of commercial partnerships discussions. The impacts of these Covid 19 changes will largely be felt in the coming financial year and are discussed below under '*Impact of Covid 19*'.

The 'business as usual' areas of the club have remained very stable financially. Clubhouse activities, lifesaving services, lifesaving skills and development, juniors, competition, and operational capital equipment expenditure have all reported stable, predictable financial outcomes.

Income and expenses across these core club activity areas showed little unexpected material variance over levels of income and expenses in 2019. Notable areas of variance over 2019 include:

- Lower salaries cost reflecting the deferral of replacement of part time staff who left during 2019.
- \$20,000 in Covid 19 related grants from state and federal governments received in April 2020.

There were no other significant business as usual variances of note. Sound monitoring and cost control by club committee and executive have ensured no surprise outcomes across core areas.

Fundraising and events

The fundraising and events team delivered another stellar year of fundraising events, with combined 2020 income from our core events (Danger Ocean Swim Series, Bells Bash Cliff Run, Golf Classic Day, and Grand Final Eve Lunch) being \$177,493. This is well ahead of our combined 2019 income of \$157,521. Record Danger 1000 swim entries and a rebound in Golf Day revenue were the most significant contributors to this difference. The combined net profit from these events was \$83,853 compared to \$68,297 in 2019 and \$84,892 in 2018. It is pleasing to see the resilience of this stable of events in our community, although the impact of Covid 19 restrictions on these events in the coming year is a major risk to our finances in the short term.

Clubhouse development activity

The financial aspects of the clubhouse redevelopment dominated the Clubs financial activity this year. The financial components of the activity during the year included:

- \$5,139,529 in capitalised project development costs (2019: \$279,994) bringing the total capital value of the project at year end to \$5,660,907. (2019: \$521,378).
- Recognition of capital grants revenue during the year of \$3,708,000 comprising \$2,108,000 from Victorian government grants and \$1,600,000 from Federal Government grants.
- Recognition of further building redevelopment philanthropic income in the form of building donations made and treads sold of \$115,500 this year. This compares to \$52,230 in 2019.
- The Club entered into a loan agreement with Bendigo Bank and had fully drawn down on a \$400,000 debt facility as of 30 April 2020. Bendigo Bank has been supportive of the Club during the current Covid 19 environment and agreed to a 6-month deferral of repayments of principal and interest. Repayments are due to commence in November 2020.

After year end a further \$1,047,000 has been paid to the main works contractor. At year end, the club estimated its contractual capital commitments under existing contracts associated with the redevelopment to be approximately \$1,100,000. These commitments are being funded from a mix of club undrawn government grant commitments and club cash reserves.

Maintaining our operating assets – continued investment

The club purchased \$27,398 in equipment assets during the year including a second-hand ATV, a generator, 2 x defibrillators and a double ski. This compares to \$37,150 invested in equipment during 2019 for one Thundercat rescue craft, 2 IRB motors, 1 IRB fuel cell and a Patrol equipment trailer. Additionally, the club paid a deposit on a new Surf Boat and took delivery of the boat during the year.

Impact of Covid 19 on the Financial Statements

The Club's financial statements have been prepared on a going concern basis and the Board is of the opinion that the Club will be able to pay its debts as and when they fall due. The Board has made this assessment as at the date of the signing of the audit report. In reaching this conclusion the Board has considered the reasonably foreseeable impact of Covid 19 restrictions on club activities, including fundraising events and has prepared a cash flow forecast through to 30 September 2021 using a reasonable set of assumptions in the current environment. The forecast shows that the club expects to maintain its ability to pay its debts as and when they fall due throughout the forecast period. Key assumptions underpinning this forecast include:

- Maintaining membership revenue at FY2020 levels
- Complete loss of fundraising income and associated expenses associated with all coming season fundraising events including Grand Final Eve, Golf Day, Bells Bash and Danger 1000.
- No fundraising income from doorknocks or tin rattles.
- Utilisation of JobKeeper support payments through to March 2021
- Receipt of all contracted and previously committed grant and philanthropic income
- Modest commercial income from Clubhouse utilisation by the Club and third parties from February/March 2021 onwards.
- Bendigo Bank debt repayments commencing from November 2020.
- \$50,000 allowance toward completion of aspects of the clubhouse that were value managed out of the Building Contractor's scope
- Freezes on all non-essential expenditure and capital items, unless expenditure can be offset by grants, philanthropic support, or other associated income.

Notwithstanding Covid 19 circumstances are likely to severely impact our fundraising activities this season, the combination of fiscal restraint, government support by way of JobKeeper, the support of

our members in maintaining their memberships and the operating reserves that have been maintained by the Club, are expected to sustain the club for the coming 12 months.

Thank You

Thanks go again to Meagan Mifsud (bookkeeper) and to Sue Bettanin for her support of the finance function. Thanks also to Clinton Fraser of Davidsons Accountants for his support in maintaining financial statements for the Building Project and in the reporting requirements within the capital grants claims process. The finance team has had a busy year supporting the administration of the delivery of our wonderful new facility and we are hopeful that we can hurry up and use it to fully support our lifesaving services, member and community activities and to also generate a reliable revenue stream that helps repay our borrowings and underpin a strong financial future.

Melissa Field

Finance Manager

Audit, Finance and Governance Committee (AFGC) 2019/20

The AFGC was established under the Constitution dated 11 August 2015 (Final Version 2, 8 Sept 2015), adopted by members at a Special General Meeting on February 21 2016.

Reporting Framework

This report is prepared by the AFGC to provide members with details of this committee's activities for the financial year ended 30 April 2020 and the period up to the AGM.

Roles and Responsibilities

The AFGC is an independent advisory committee elected by members at each Annual General Meeting (AGM). Members of the AFGC are appointed for up to 3 years. To minimise loss of corporate memory 1-2 members of the AFGC stand down each year and new members are appointed.

The primary purposes of the AFGC are to review and provide oversight of the club's financial information and controls, business practices and to report to members via the Board.

The objectives of the AFGC are outlined in the Constitution.

Membership

Membership of the AFGC consists of four elected club members plus one ex-officio member; the Club President or President's representative.

Elected members of the AFGC for the reporting period were:

Neil Hough, Robert Miano, Brad Potter and Ian Sedger, and ex-officio members Aaron Green (President). Refer to Table 1 below for periods of service.

Ian Sedger retires from the AFGC at the 2019-20 AGM after serving the maximum period of three consecutive terms (Cl 23.3(b)). The AFGC actively seeks individuals with expertise, supported by a resume, to replace members rotating off the committee.

Elected Member	2017-18	2018-19	2019-20
Stuart Gordon	✓	✓	✗
Neil Hough	✗	✗	✓
Steve Jewson	✓	✗	✗
Robert Miano	✗	✓	✓
Brad Potter	✗	✗	✓
Ian Sedger	✓	✓	✓
Dean Sibun	✓	✓	✗

Table 1: AFGC periods of service

Committee Meetings

During the reporting period the committee met on five occasions.

Member	8 September 2019	13 October 2019	17 November 2019	8 December 2019	19 January 2020	8 March 2020	1 September 2020
Neil Hough	✓	✓	✓	✓	✓	✓	-
Robert Miano	-	✓	-	-	✓	✓	✓
Ian Sedger	-	-	-	-	✓	✓	✓
Brad Potter	✓	✓	✓	-	✓	-	✓

Table 2: AFGC meetings

CAV Returns & ACNC Status

The Club as an incorporated association and is at 18 September 2020, compliant with the requirements of Consumer Affairs Victoria (CAV); and holds registered charity status with the Australian Charities and Not-for-Profits Commission (ACNC).

Risk Management

The Club should endeavour to develop a risk management framework. Members of the AFGC will investigate if the Club can leverage work completed by Life Saving Victoria.

Club by-laws

Work is required to update the club's by-laws, particularly with regards to operation of the new clubhouse and potential changes from LSV, e.g., in member training. In order to assist the Board the AFGC has approached a number of club members to facilitate their development including a review process in this area. Unfortunately, this is an ongoing issue and further endeavours to complete this task need to be made in the coming year.

Club Financials

From an audit and presentation perspective the AFGC does not see any material matters to bring to the attention of members.

COVID – 19

Due to limitations placed on all recreational activities due to Covid-19, there is a high probability that club activities for the upcoming season will be either cancelled or significantly reduced. The Board has prepared a budget considering a number of scenarios, including no fundraising activities in the usual formats. The AFGC is in discussions and providing feedback to the Board regarding the financial management of club funds over this period.

Audit, Finance and Governance Committee