

WARRINGAH BOWLING CLUB LIMITED
ACN 000 014 219
NOTICE OF GENERAL MEETING AND RESOLUTIONS

NOTICE is hereby given of the General Meeting of **WARRINGAH BOWLING CLUB LIMITED** to be held on **Monday, 14 April 2025** commencing at **5:30pm** at the premises of the Club, 74-82 Bradleys Head Road, Mosman, NSW.

BUSINESS OF THE MEETING

The business of the meeting will be to consider and if thought fit pass the Special Resolution and the Ordinary Resolution set out below.

PROCEDURAL MATTERS FOR RESOLUTIONS

1. To be passed, a Special Resolution must receive votes in its favour from not less than three quarters (75%) of those members who being eligible to do so in person vote on the Special Resolution at the meeting.
2. To be passed, an Ordinary Resolution must receive votes in its favour from half plus one (50% + 1) of those members who being eligible to do so in person vote on the Ordinary Resolution at the meeting.
3. **For the Special Resolution, pursuant to Rule 21(a) of the Club's Articles of Association, only Life members and Bowling members can vote on the Special Resolution.**
4. **For the Ordinary Resolution, ALL Ordinary members can vote on the Ordinary Resolution.**
5. Under the Registered Clubs Act, members who are employees of the Club are not entitled to vote and proxy voting is prohibited.
6. The Board recommends that members vote in favour of the Special Resolution to adopt a new Constitution for the Club and the Ordinary Resolution to approve the proposed pickleball licence agreement.

SPECIAL RESOLUTION

That the Constitution of Warringah Bowling Club Limited (**the Club**) in the form presented to the meeting (and having previously been made available to members) (**Constitution**) be adopted as the Constitution of the Club in substitution for and to the exclusion of the existing Memorandum and Articles of Association of the Club (**existing Constitution**).

NOTES TO MEMBERS ON SPECIAL RESOLUTION

1. The Special Resolution proposes to adopt a new Constitution of the Club to replace the existing Articles.
2. P licence refer to the Explanatory Memorandum No.1 which is attached to this notice as it sets out a summary of the proposed new Constitution and the reasons why it is proposed by the Board.
3. A copy of the proposed new Constitution and the existing Constitution are on display on the Club's website.

ORDINARY RESOLUTION

That, for the purposes of section 41E of the Registered Clubs Act and Regulation 29B(1)(f) of the Registered Clubs Regulations, the members of Warringah Bowling Club Limited (**Club**) hereby approve the disposal of the land outlined in red in the Schedule below (**Subject Land**) for the purposes of the Club entering into a licence (or such other similar form of) agreement with DCTA Pty Ltd trading as Mosman Pickleball (**MPB**) on the terms set out in the explanatory notes below.

Schedule



NOTES TO MEMBERS ON ORDINARY RESOLUTION

Background Information

1. The Board proposes to enter into a licence agreement with DCTA Pty Ltd trading as Mosman Pickleball (**MPB**) in respect of the Subject Land.
2. The licence agreement will enable MPB to install and operate six (6) pickleball courts on the Subject Land. The terms of the licence agreement are set out in paragraph 10 below.

Subject Land – Registered Clubs Act and Registered Clubs Regulations

3. As shown in the Schedule, the Subject Land comprises two thirds of the top bowling green at the Club's premises.
4. The Subject Land is core property of the Club (and it will remain core property of the Club).
5. The proposed licence agreement constitutes a disposal of core property for the purposes of section 41E of the Registered Clubs Act.
6. Section 41E of the Registered Clubs Act provides that, subject to any exemptions contained in the Registered Clubs Regulations, a club can not enter into a licence agreement involving core property unless the property has been valued by a qualified valuer and the disposal has been approved by the members of the club at a general meeting.
7. Regulation 29(1)(f) of the Registered Clubs Regulations allows a club to enter into a licence agreement involving core property without complying with the requirements of section 41E of the Registered Clubs Act if *"the terms and nature of the disposal (including details of the parties, property, price and valuation) are disclosed to the ordinary members of the club, and the disposal is approved at a general meeting of the ordinary members of the club"*.
8. For the purposes of Regulation 29(1)(f) of the Registered Clubs Regulation, the nature and terms of the proposed licence agreement are disclosed to members in the explanatory notes below.
9. Accordingly, for the purposes of section 41E of the Registered Clubs Act and Regulation 29(1)(f) of the Registered Clubs Regulations, the Ordinary Resolution proposes for members to approve the proposed licence agreement to MPB on the terms set out below

Nature of Disposal and Terms of Proposed Licence Agreement

10. Set out below is the nature of the disposal and the principal terms of the proposed licence agreement.

Nature of Disposal	Licence Agreement (or such other similar type of agreement).
Parties	The Club and DCTA Pty Ltd trading as Mosman Pickleball.
Licensed Area	The Subject Land which comprises approx.two thirds of the top bowling green at the Club's premises located at 74-82 Bradley's Head Road, Mosman NSW 2088. The size of the Subject Land is 1,053 square metres.
Duration	The agreement will be for an initial term of twelve (12) years. The Club and MPB may mutually agree to extend the agreement for a further term of twelve (12) years.
Commencement Date	The Commencement Date will be two (2) weeks after MPB has received the necessary approvals to commence trading from the Subject Land.
Licence Fee	The initial Licence Fee will be \$90,000 (plus GST) per annum. The Licence Fee will increase annually by CPI on each anniversary of the Commencement Date and on the seventh anniversary of the Commencement Date, a market review will be conducted in respect of the "market licence fee" for the Subject Land. MPB will not be required to pay the Licence Fee during the first six (6) months of the licence agreement. The Licence Fee will be payable monthly in advance.
Security Deposit	MPB must provide the Club with a security deposit which is equal to six (6) months of Licence Fees.
Permitted Use	Pickleball games and the management and administration of such games.
Permitted Hours	Subject to necessary approvals, 7:00am to 10:00pm daily.
Services	The Club will provide MPB with reasonable use of services and utilities as part of the Licence Fee paid by MPB.
Insurances	MPB must take out and maintain necessary insurance policies, including workers compensation and public liability insurance.
Cleaning and redecoration	MPB must keep the Subject Land Area clean and tidy. Before the sixth anniversary of the Commencement Date, MPB must paint or otherwise treat all surfaces in and on the Subject Land.

Make Good	MPB does not need to replace the pickleball courts with bowling greens on the expiry or termination of the licence agreement (that is, the pickleball courts will remain on the Club's premises). This will allow the Club (or a third party) to operate pickleball after the expiry or termination of the agreement.
Prohibited dealings	MPB must not deal with the licence agreement or the Subject Land (such as assigning the licence agreement or sub leasing any of the Subject Land) without the prior written approval of the Club.
Works	MPB must, at its own expense, convert two thirds of the top bowling green (being the Subject Land) into six (6) pickleball courts. MPB must, at its own expense, convert the remaining third of the top bowling green to a synthetic bowling green comprising two (2) bowling rinks.
Approvals	MPB must, at its own expense, obtain all of the necessary approvals for the construction of the pickleball courts and the use of those courts.

11. The licence agreement will contain other commercial terms which are ordinarily included in licence agreements such as clauses dealing with indemnities and re-licences, events of default, termination rights, confidentiality and dispute resolution and determination.
12. For the avoidance of doubt, the proposed licence agreement does not include the bottom bowling green. In this regard, the bottom bowling green will remain a lawn bowling green and it will be used for bowls (including pennants play and other competitions). In other words, the bottom bowling green will not be converted into pickleball courts.

Other Information

13. P licence refer to the Explanatory Memorandum No.2 which is attached to this notice as it sets out why the Board proposes to enter into the licence agreement with MPB and why the licence agreement is in the best interests of the Club.

Dated:

By direction of the Board

Liarne Peek
Secretary

WARRINGAH BOWLING CLUB LTD

ACN 000 014 219

EXPLANATORY MEMORANDUM No. 1 FOR PROPOSED NEW CONSTITUTION

As stated in the Notice of General Meeting, members will be asked to consider a Special Resolution to adopt a new Club Constitution (**Constitution**) to replace the existing Articles of Association of the Club (**existing Constitution**).

This Explanatory Memorandum is to assist members to understand the proposed new Constitution and why it is appropriate to adopt it.

Members who wish to review the proposed new Constitution can inspect it on the Club's website together with a copy of the existing Constitution.

A summary of the proposed new Constitution and its principal features is set out below, and **substantive variations from the existing Constitution are underlined**. There are numerous additional new provisions, including which reflect the requirements of various legislation which impacts the Club, and these have not been underlined.

1. **RULE 1 – PRELIMINARY**

- 1.1 **Rule 1.1** provides that the name of the Club is Warringah Bowling Club Limited.
- 1.2 **Rule 1.2** provides that the Club is a company limited by guarantee and that it is a non-proprietary company. This Rule also provides the liability of members is limited.
- 1.3 **Rule 1.3** provides that the Club is established for the purposes set out in the Constitution.
- 1.4 **Rule 1.4** provides that the replaceable rules referred to in the Corporations Act are displaced or modified as provided in the Constitution.
- 1.5 **Rule 1.5** provides that each member of the Club undertakes to contribute an amount not exceeding two dollars (\$2.00) if the Club is wound up and the assets of the Club are insufficient to discharge the liabilities. This undertaking continues for a period of twelve (12) months after the person ceases to be a member.
- 1.6 **Rule 1.6** provides that the Constitution has the effect of a contract between the Club and each member, the Club and each Director and each member and each other member.

2. **RULE 2 – DEFINITIONS AND INTERPRETATION**

- 2.1 **Rule 2** sets out the definitions and rules of interpretation used in the proposed new Constitution.

3. **RULE 3 – OBJECTS AND POWERS**

- 3.1 **Rule 3.1** sets out the objects of the Club and **Rule 3.2** sets out the powers of the Club.

4. **RULE 4 – CLUB'S PROPERTY AND INCOME**

- 4.1 **Rule 4.1** provides that the property and income of the Club must be applied solely towards the promotion of the objects of the Club.
- 4.2 **Rules 4.2 and 4.3** set out specific requirements of the Registered Clubs Act in relation to benefits available to members.
- 4.3 **Rule 4.4** prohibits a person associated with the Club from receiving any bonuses or remuneration related to the Club's sale or supply of liquor to patrons, or from the operation of the Club's gaming machines.

5. **RULE 5 – MEMBERSHIPS**

- 5.1 **Rule 5.1** provides that the categories of Full membership of the Club are Life membership, Bowling membership, Loyalty membership, Social membership and Junior membership. This will replace the existing categories of Full membership.
- 5.2 **Rule 5.2** provides that:
- (a) all Full members (other than Junior members) are entitled to:
- (i) generally, access the Club's facilities and amenities;
 - (ii) be elected or appointed to hold office on the Board;
 - (iii) vote in the election of the Board;
 - (iv) attend and vote at general meetings (including Annual General Meetings) of the Club (provided that Social members cannot vote on special resolutions); and
 - (v) introduce guests to the Club; and
- (b) all Full members (other than Social Members and Junior members) are entitled to:
- (i) vote on any Special Resolution, including a Special Resolution to amend the Constitution;
 - (ii) propose, second, or nominate any eligible member for any office of the Club; and
 - (iii) propose, second or nominate any eligible member for Life membership.

- 5.3 **Rule 5.3** provides that Bowling Members are entitled to such bowls playing, and social privileges and advantages of the Club as may be determined by the Board from time to time.
- 5.4 **Rules 5.4 and 5.5** provide that Loyalty Members and Social Members are entitled to such social privileges and advantages of the Club as may be determined by the Board from time to time.
- 5.5 **Rule 5.6** deals with Junior membership of the Club, including the eligibility requirements for Junior membership and the rights of Junior members.
- 5.6 **Rule 5.7** deals with Life membership of the Club, including the procedure for admission to Life membership and the rights of Life members. This remains unchanged and reflects the existing practice of the Club.
- 5.7 **Rule 5.8** provides that a person may be admitted to the Club as a Provisional member, Honorary member and Temporary member and it also sets out the eligibility requirements and the rights and entitlements of Provisional, Honorary and Temporary members. Provisional, Honorary and Temporary members are not entitled to nominate or stand for election, nor to attend or vote at any meetings of the Club.
- 5.8 **Rule 5.9** provides that members may appoint a patron or patrons of the Club at a general meeting.
- 5.9 **Rule 5.10** deals with the procedure to be followed in relation to admission of persons to membership of the Club.
- 5.10 **Rule 5.11** deals with the payment of joining fees, subscriptions, and levies by members.
- 5.11 **Rule 5.12** provides that the Club must keep and maintain registers of members and guests.
- 5.12 **Rule 5.13** deals with the procedure to be followed when members wish to transfer membership categories.
- 5.13 **Rule 5.14** provides that non-financial members and Ineligible members are not entitled to the rights and privileges whilst they are a non-financial member and/or Ineligible member.
- 5.14 **Rule 5.15** deal with the procedure for a member to resign from membership of the Club.
- 5.15 **Rule 5.16** deals with guests of members of the Club.

6. **RULE 6 – BOARD OF DIRECTORS**

- 6.1 **Rule 6.1** provides that the Board shall consist of:
- (a) five (5) elected directors comprising a Chairperson, Deputy Chairperson and three (3) other directors (rather than seven (7) directors comprising the Chairperson and six (6) other directors as is currently the case);
and
- (b) up to two (2) additional directors appointed to the Board in accordance with the Registered Clubs Act.
The power of the Board to appoint two (2) additional directors to the Board under the Registered Clubs Act exists even if this power is not expressly stated in the Club's Constitution.
- 6.2 **Rule 6.2** provides that the Board shall be elected in accordance with Schedule 4 of the Registered Clubs Act (known as the "Triennial Rule") rather than annually (as is currently the case).. Under the Triennial Rule, a third of the Board is elected each year for a three (3) year term of office.
- 6.3 **Rule 6.3** sets out the eligibility requirements for nominating for and being elected or appointed to the Board.
- 6.4 **Rule 6.4** deals with the procedure for conducting board election. The procedure for conducting board elections will be determined by the Board by way of by-law.
- 6.5 **Rule 6.5** sets out the circumstances in which vacancies on the Board will arise.
- 6.6 **Rule 6.6** deals with the removal of directors from the Board.
- 6.7 **Rules 6.7 to 6.10 inclusive** sets out the powers of the Board, including powers in relation to by-laws, committees, and sub clubs of the Club. These powers remain unchanged.
- 6.8 **Rule 6.11** deals with proceedings of the Board, including board meetings and decisions made by the Board.
- 6.9 **Rule 6.12** requires directors to disclose material personal interests and for them not to be involved in discussing or voting on any matters in which they have a material personal interest.

7. **RULE 7 – GENERAL MEETINGS**

- 7.1 **Rule 7** sets out the requirements for general meetings (including Annual General Meetings) and the procedures to be followed in respect of general meetings. This Rule is consistent with the Club's existing practice.

8. **RULE 8 – MEMBERS RESOLUTIONS AND STATEMENTS**

- 8.1 **Rule 8** sets out the procedure to be followed in relation to members resolutions and statements by members.

9. **RULE 9 – AMENDMENTS TO CONSTITUTION**

- 9.1 **Rule 9** provides that the Constitution can only be amended by way of a Special Resolution passed at a general meeting of the Club.

10. **RULE 10 – REGISTERED CLUBS ACCOUNTABILITY CODE**

- 10.1 **Rule 10** requires the Club to comply with the requirements of the Registered Clubs Accountability Code.

11. **RULE 11 – MINUTES**

11.1 **Rule 11** provides that minutes of all resolutions and proceedings at general meetings must be entered in the minute book within one month of the meeting and signed by the chairperson of that meeting or the chairperson of the next succeeding meeting.

12. **RULE 12 – ACCOUNTS AND AUDITOR**

12.1 **Rule 12** deals with the Club's accounting and reporting requirements to members. This Rule also requires the Club to appoint an auditor in accordance with the Corporations Act.

13. **RULE 13 – SECRETARY**

13.1 **Rule 13** requires the Board to appoint one Secretary who, for the purposes of the Registered Clubs Act, will be the "Chief Executive Officer" of the Club.

14. **RULE 14 – ON AMALGAMATION**

14.1 **Rule 14** deals with the admission of persons to membership of the Club pursuant to an amalgamation between the Club and another registered club.

15. **RULE 15 – APPLICATION OF PROPERTY ON DISSOLUTION**

15.1 **Rule 15** provides that on the winding up of the Club, if there remains any assets (after the satisfaction of all debts and liabilities), those assets will not be distributed among the members, rather, will be given or transferred to an institution which has similar objects to the Club which is approved by members.

16. **RULE 16 – EXECUTION OF DOCUMENTS**

16.1 **Rule 16** deals with execution of documents by the Club.

17. **RULE 17 – INDEMNITY TO CLUB OFFICERS**

17.1 **Rule 17** deals with the insurance and indemnification of the officers and auditors of the Club.

18. **RULE 18 – INTERPRETATION**

18.1 **Rule 18** deals with the interpretation of the Club's Constitution

19. **SCHEDULE 1 – REGISTERED CLUBS ACT, SCHEDULE 4 (TRIENNIAL RULE)**

19.1 **Schedule 1** contains a copy of the Triennial Rule as the Board will then be elected under the Triennial Rule.

This summary provides members with sufficient background and information to enable them to make an informed decision in relation to the proposed Special Resolution to adopt the new Constitution.

Despite that, there may be matters about which members have questions not covered by this Memorandum. Members accordingly, are invited to raise their questions with the Secretary at least 7 days before the general meeting, and, as necessary, the Secretary will obtain advice from the Club's lawyers to pass back to the member.

The Board considers the proposed new Constitution as being a significant improvement on the existing Constitution and it recommends that members vote in favour of the Special Resolution. To be passed, the Special Resolution will need votes from not less than three-quarters (75%) of those members who being eligible to do so, vote in person at the meeting.

Dated:

Liarne Peek
Secretary

WARRINGAH BOWLING CLUB LTD

ACN 000 014 219

EXPLANATORY MEMORANDUM No. 2 FOR PICKLEBALL LICENCE AGREEMENT

As stated in the Notice of General Meeting, members will be asked to consider an Ordinary Resolution which will enable the Club to enter into licence agreement with DCTA Pty Ltd trading as Mosman Pickleball (**MPB**) for the purposes of MPB installing and operating six (6) pickleball courts on the Club's premises.



20. PRELIMINARY

The primary objective of the Warringah Bowling Club's new Constitution is as follows;

In accordance with the rules and regulations of Bowls Australia and Bowls NSW, to facilitate, conduct and promote, the game of lawn bowls within the Mosman community and externally.

This will ensure the Club will always remain a bowling club.

However, your Club sits at a financial crossroad. [It continues to be so even with the progress made since mid-2024.]

Your Club can only survive if its business:

- (a) is sustainable and repeatable (despite seasonal affectations), and
- (b) has robust and diversified cashflows.

"Sustainability" fundamentally relies on the Club's membership and guests.

"Repeatable" through members being connected with the Club, and the Club being and remaining relevant to members' interests, and invested into the wider Mosman community.

"Robustness" of cashflows rely heavily on revenues from turnover - from both Bar and Food sales, functions and from events.

"Diversification" of revenues involves alternative sources of revenues, such as the Club's Child Care Centre.

The Pickle Ball proposal, for the benefit of the whole Club, ticks all of these boxes for sustainability, repeatability, robustness and diversification.

1. BACKGROUND

A. (The Club's) Background to the (Pickle Ball) Proposal

Members may recall the straight-talk from Graeme Campbell of Campbell Advisory at last September's Information Night (details of which were subsequently posted to the Club's website).

To survive, members were informed that your Club needed:

- (a) more members
- (b) more functions and events

- (c) diversified revenue sources
- (d) a marketing strategy (including advertising)
- (e) engagement with the Mosman community

B. The Club's challenges - we are not alone!

Over the past decade, the registered clubs industry in New South Wales (NSW) has experienced a notable decline in the number of operating clubs. Between 2011 and 2015, over 60 clubs ceased operations, representing nearly 5% of all clubs in the state.

Between 2015 and 2025, the registered clubs industry in New South Wales (**NSW**) has continued to experience a decline in the number of operating clubs. As of 2015, there were over 1,340 registered clubs in NSW, serving approximately 6.7 million members. While specific data on the exact number of clubs that have closed between 2015 and 2025 is not readily available, the industry has faced several challenges during this period:

- **Regulatory Changes:** The introduction of the Sydney lockout laws in February 2014, which imposed 1:30 am lockouts and 3:00 am last drinks in certain areas, impacted the operating hours and profitability of many clubs.
- **Economic Factors:** The COVID-19 pandemic, which began in early 2020, led to extended periods of closure and operational restrictions for clubs, significantly affecting their financial stability.
- **Changing Social Trends:** A shift in social and entertainment preferences, with younger demographics favouring alternative venues, has contributed to a decline in traditional club memberships and patronage.

Despite these challenges, some clubs have adapted by diversifying their services, enhancing facilities, and engaging in community initiatives to maintain relevance and attract new members.

Some examples of clubs' which have successfully diversified independent of amalgamation are as follows;

- Petersham Bowling Club changed their business model to be a gambling free community club focusing on inclusivity and relevance in their community.
- Orange City Bowling Club has diversified their offerings to the community by converting one green into miniature golf, one green into pickleball, one synthetic green for multi purpose and it left one green as natural for its bowlers. Since the changes Orange City Bowling Club has seen a significant increase in patronage to their club and have become a major community hub
- Leichhardt Bowling Club has diversified into a live music venue with significant outdoor dining and bars.

Sydney has lost nearly half of its bowling clubs since the 1980s, new research from the University of New South Wales has found.

Key points:

This trend has been particularly evident among bowling clubs. In Sydney, the number of bowling clubs decreased from 210 in 1980 to 128 in 2022, with 51 closures occurring in the past decade alone.

- Bowling clubs have faced financial difficulties from falling membership and maintenance costs
- Some clubs have been saved through reinvention and amalgamation
- The number of clubs in Sydney is at a more sustainable level, an academic says

Professor Robert Freestone and Louis Heath from the UNSW's School of Built Environment said the closures were leaving a void in communities.

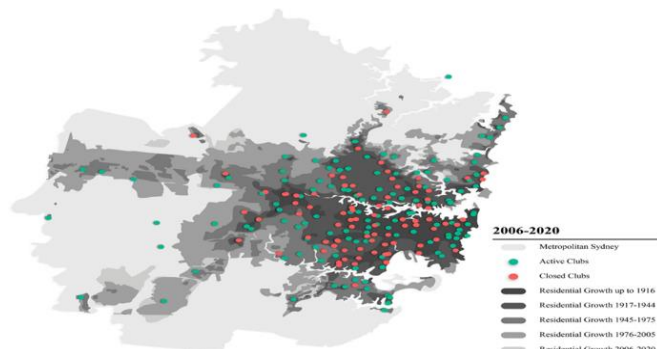
"The thinning out isn't detrimental yet, but if clubs start to become less accessible, beyond easy walking distance, they won't attract as many people, and people will lose a way to engage with their community," Mr Heath says.

"There might be less emphasis on the bowling, but the clubs themselves can be a big part of people's lives."

"Along with this physical legacy, there are the social values embedded in the everyday appeal of the bowlo, not as a public space, but as an important informal space where we gather," Prof. Freestone says. "There is a distinctiveness to the lawn bowls environment that caters particularly well for over 50s and really stitches the fabric of the community together."

When assessing the value of bowling clubs, the researchers say local authorities should be mindful of their importance to communities who have already seen similar recreational facilities like squash courts and drive-in cinemas fall by the wayside.

"As more disappear, we lose not only a significant part of our cultural landscape but also another green space that is important to many people," Dr Freestone said.



Bowling clubs in Greater Sydney

The appetite for opening new clubs has also diminished, as no new clubs were established in the 15 years before 2020.

The reasoning behind this proposal is to ensure, as far as possible, the long-term survival of your Club. Without this change, the Club faces a bleak future and the Board must then explore other alternatives for the Club.

C. The Club's need for "Diversification"

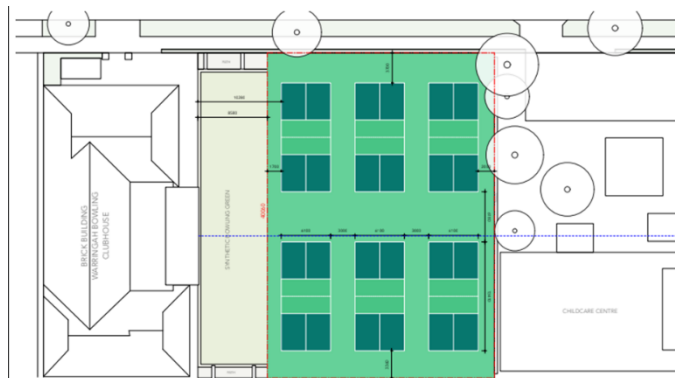
- The Club needs to diversify its offerings and revenue sources to ensure its long term financial viability and to this end, the Board and Management have explored all options before us to reinvigorate our Club.
- The proposal from MPB presents an extraordinary opportunity for the Club to adopt a new sport and enhance its offerings to the Community (whilst obtaining a new source of revenue).
- By including the resurfacing of the remaining top green to an artificial surface, the Club opens up many other opportunities for developing further community links in areas such as Markets, family fun days and barefoot bowls. The possibility of the Club becoming a Breakfast/Brunch venue as a result of early morning Pickleball sessions and then the wider community, is another avenue to be explored.
- Any and all of these opportunities can enhance the Club's standing by introducing alternative sources of revenue and increasing Bar and Bistro turnover which in turn will contribute to the long-term survival of the Club.

D. What does Pickleball brings to the Club?

- We have been offered an opportunity with MPB to bring a new sport to our Club and help bring the vibrancy we need.



- As stated in the explanatory notes to the Ordinary Resolution:
 - the Club and MPB will enter into a licence agreement whereby MPB will use two thirds of the top bowling green on the Club's premises to install and operate six (6) pickleball courts; and
 - MPB will, at its own expense, convert the remaining third of the top bowling green into a synthetic bowling green comprising two bowling rinks. This can be used for bowls, other small court sports and other club and community events and initiatives.
 - Our bottom green will remain as a bowling green for our Bowling section, this green is large enough to accommodate all projected growth for lawn bowls over the next several decades
- This will bring the much-needed diversity to the club and a new wave of members utilising our facilities whilst opening a new revenue stream through the licence agreement.



- MPB will bring a much-needed vibrancy and level of energy to our club whilst maintaining a sport orientated outlook.
- The inflow of the Pickle ball members will bring through an estimated 37% increase to our turnover. This is desperately needed to invigorate and ensure the long-term survival of our Club in the increasingly difficult environment.

E. The financial rationale

The obvious rationale for this move is to ensure the Club's long-term financial viability.

Projections have been done on a number of bases to demonstrate the benefits to the club of this proposal.

MPB currently have 450 members and a waiting list of 500 due to current constraints on court usage. It is intended to each of these players would become a social member of the Club and on projections would contribute to an increase in income of over \$200,000 in the first year even if they all only purchased a coffee or soft drink at the current membership levels.

As the waiting list move to membership, these projections would show a greater financial return for the Club. As a number of other commercial opportunities begin to take fruition, these figures improve even more.

The Club's projections are set out below in the following table:

Projections

Pickleball Bar Sales Projection				
	Basic	Low takeup	Middle takeup	Best takeup
Average sale	5 (1 Coffee)	1 Drink @ \$10	2 Drinks @ \$10	3 Drinks @ \$10
Based on current pickleball numbers				
24 people per hour (6 courts)	120	240	480	720
5 Hours per day for 6 days a week	3600	7,200	14,400	21,600
4 x 10 week blocks = 40 weeks	144,000.	288,000	576,000	864,000
Membership @ 450 people	9,000	9,000	9,000	9,000
Income	153,000	297,000	585,000	873,000
Costs				
Cost of Goods Sold	43,200	86,400	172,800	259,200
1 extra staff for mornings	39,600	39,600	39,600	39,600
Costs	82,800	126,000	212,400	298,800
Estimated profit year 1	70,200	171,000	372,600	574,200
Rent from Pickleball	90,000	90,000	90,000	90,000
Green keeping savings	51,000	51,000	51,000	51,000
Bottom line profit increase	211,200	312,000	513,600	715,200
12 years at same level - initial licence period	2,534,400	3,744,000	6,163,200	8,582,400

Notes on the projections:

1. Basic takeup is based on each Pickleball member having a cup of coffee or soft drink then leaving the Club
2. Low takeup is based on each Pickleball member having one bar drink then leaving the Club
3. Middle takeup is based on each Pickleball member having at least two bar drinks then leaving the Club
4. Best takeup is based on each Pickleball member having three or more bar drinks then leaving the Club
5. These assumptions can obviously change over the time of day as it would be expected that early morning players would probably fall into the basic category and evening players into a combination of middle and top
6. Greenkeeper savings are based on the current contract for maintenance of two greens being halved to maintenance of one green

F. Board recommendation

The Board strongly recommends that members vote in favour of the Ordinary Resolution and the proposed licence agreement to MPB.

2. CONCLUSION

The explanatory notes to the Ordinary Resolution and this Explanatory Memorandum provides members with sufficient background and information to enable them to make an informed decision in relation to the proposed Ordinary Resolution. Despite that, there may be matters about which members have questions not covered by the explanatory notes or this Memorandum. Members accordingly, are invited to raise their questions with the Secretary at least 7 days before the general meeting, and, as necessary, the Secretary will obtain advice from the Club's lawyers to pass back to the member. The Board considers the proposed licence agreement with MPB and, consequently, the declaration set out in the Ordinary Resolution, as in the best interests of the Club as a whole and it recommends that members vote in favour of the Ordinary Resolution.

To be passed, the Ordinary Resolution will need votes from half plus one (50%+1) of those members who being eligible to do so, vote in person at the meeting.

Dated: 22nd March, 2025

Liarne Peek
Secretary