

COMBINED SERVICES RSL CLUB CO-OPERATIVE LIMITED

75th ANNUAL GENERAL MEETING

5-7 BARRACK STREET, SYDNEY

THURSDAY, 30th May 2019

Present:

Geoff Coffill,	President
Wally Benington,	Vice President
Carl Dumbrell,	Treasurer
Cahill Poulter,	General Manager
Alex Ronayne,	Club Lawyer
Chris Wong,	Club Auditor
Philip Binns,	Returning Officer

and members as per attendance book

MEETING OPEN

Geoff Coffill declared the meeting open at 6.23pm

APOLOGIES

Stuart Kennedy
Corinna Kelly
Margaret Black
Patrick Williamson
Alistair McLean
Don Crawford
Pat Bright
Ryan McKeough
Keith Grimley
Andrew Bosker
Peter McCauley
Peter Joass
Jason Scott
Milan Fries
Shane Burette

QUORUM ESTABLISHED

It was noted 21 members were in attendance at the meeting

Departed Comrades

Amy Taylor
George Caruana
Keith Clarke
Huw Gethin Jones OAM
Kevin Doorey
Ken Hooper
Leonard Brian

1 CONFIRMATION OF THE MINUTES OF THE LAST ANNUAL GENERAL MEETING HELD ON TUESDAY, 8th May 2018

Motion: That the minutes, as circulated, of the AGM held on Tuesday, 8th May 2018 be approved.

Motion to Receive the minutes **Moved:** Wally Benington (member 248) to receive
Motion to Receive the minutes **Seconded:** T. Kennedy (member 502)

Motion to Adopt the minutes, **Moved:** Wally Benington (member 248)
Motion to Adopt the minutes, **Seconded:** Garry Wordsworth (member 135)

Motion Carried

2 PRESIDENT'S REPORT

Geoff Coffill read his report to the members present.

You will have noticed that we have had a change to the usual timetable this year, with this Meeting being convened close to the end of the five months from year-end permitted timeframe. The simple reason for this deferral was that Brian Carroll, the Auditor used by the Club over several recent years, found it necessary to resign his services earlier this year. In turn, the Board had to identify a replacement Auditor to have the 2018 financials completed. So, again, we welcome Chris Wong and wish Brian all the best as we thank him for his past services to the Club and, we expect, in retirement.

There is a motion later on tonight's agenda for the Meeting to consider confirmation of Chris' appointment as the Club's Auditor, on an ongoing basis. The Board certainly appreciates the speed with which Chris was able to come to grips with our financial management and broader business operations and provide his report. Director sign-off of the Club's 2018 financial statement was finalised in the middle week of April; thereafter we had to identify an available date for the AGM, prepare the Notice of Meeting and have it delivered with the requisite notice period. Going forward, we expect to return to our usual pattern of early May AGMs.

The Club had a reasonably steady 2018 although, as detailed in the Financial Statement, the audited result for the year was a financial deficit of \$200,354. The cash at bank increase on 2018's trading activity was \$2,456. In simple terms, that means that we banked more than we spent in 2018, however our fittings and equipment have

aged another year. The overall result includes an increased provision (an additional \$50,000, which is a 250% increase) to cater for payouts of significant gaming machine jackpots. We have seen recent instances of small clubs having to trade with their gaming machines turned off because of uncertainty of their ability to cover such jackpots. I will leave the finer details of the detailed accounting aspects to the Treasurer and his Report.

Mr Ian Doherty resigned as Secretary of the Co-operative Society and the Club's General Manager/Licensee in May 2018. As previously foreshadowed, our ongoing investment in Cahill Poulter's professional development has been leveraged and Cahill has been selected to lead the Club's operations on an interim basis as his knowledge and experience increase. Cahill continues to face a variety of challenges which are progressively developing his management capability. We also welcomed Micheal Russell to the permanent staff roster in 2018, in recognition of his commitment to the Club and his popularity among members. Micheal is helping to ease Cahill's administrative workload and is able to 'hold the fort' to let Cahill have some well-deserved time off.

An early task for the incoming Board will be the finalisation of an up-to-date strategic plan for the Club. Quite a number of potential new initiatives have been identified, but these all need to be prioritised against the context of overall commercial sustainability. There is ongoing developer interest in this site and the Club has negotiated a 12-month notice period with the building owner (extended from the historical six months). The lease term runs until May 2022, giving us three years' remaining tenure. The Club understands that RSL NSW (State Branch), which relocated to the Westpac Building at 341 George Street in September 2018, is not **currently** interested in moving to this building. In view of this, we reverted to offering multi-year membership and renewal options in 2019. In case any aspect of our tenancy changes suddenly, Directors have initiated some preliminary discussions with a number of larger (RSL/based) clubs with which an amalgamation may, in the future, be contemplated.

All of the competitive and regulatory compliance challenges mean that we have to peddle very hard just to basically stay still. As an example, our net income from **poker machines** declined by a further 1% from 2017, yet we had to commit funds to undertake a programme of upgrade and replacement so that our machines are (now) all capable of accepting the newest generation of plastic currency notes. While hardware is complete, there will be ongoing software changes as each of the new \$20 and \$100 notes are released. The Club acknowledges that our poker machines are not all 'state of the art' but we offer a variety of games and denominations - and have done so without incurring inordinate debt.

Our attendance at ClubsNSW seminars informs us that the growth of gaming in hotels is strong, in contrast to the often flat, or negative, growth throughout clubs. That several nearby venues have enabled smoking at most of their gaming machines, mostly in contravention of Government-prescribed regulations on smoking in licensed premises, is a clear means through which hotel-based gaming is increasing. The Board will evaluate a recently-identified concept to create a small 'smokies' zone.

Our smoking regulars typically comprise the younger demographic upon whom the Club's future will depend. The outdoor veranda's amenity has been enhanced over the

past year with the installation of a television screen, provision of sound (broadcast media plus internal announcements, importantly including weekday recital of “*The Ode*”) and the installation of fans to improve comfort levels.

Since the last AGM, we have tried some new approaches in member/visitor entertainment. Of course, the Member Badge Draw was reintroduced once licensing conditions were reset by the State government. We have held varying periods of higher than usual guaranteed NPL poker pots and we conducted “*two-up*” in the Club on Remembrance Day. Mick’s complimentary NRL evening bar snacks are well-received by those who stay for the league. We have gained some important learnings over this period and one of these was the presence of security here on the morning of Anzac Day.

The Club’s origins and heritage lie with the Combined Services RSL sub-Branch. Our charter as an RSL (licensed) Club compels us to provide social amenity to the ex-service community as well as offering conviviality to social members, guests and visitors. The Club proudly continues to pay homage to military traditions and to those who have served in Her Majesty’s and allied armed forces. We provide a conveniently located and secure venue for a number of ex-service organisations, large and small groups of veterans and individuals returning from recent active service. We welcome the staff of RSL NSW and their visitors who have now beaten a path from ANZAC House to the Club.

The RSL sub-Branch owns the 5-7 Barrack Street building. The rent that the Club pays is the RSL sub-Branch’s primary source of income, from which it is able to fulfil its charitable purpose. In short, part of every dollar that we spend in the Club finds its way through to supporting veterans and, in need, their families. The Club records its thanks to the RSL sub-Branch, as landlord, for its late-2018 commitment to fund the replacement of the ground floor air-conditioning unit. That work was completed a few months ago and any discomfort endured during the warmer months is regretted.

During my period of time as Club President, I have endeavoured to promote stability in the Club’s operations, while acting on options for ongoing improvement. To illustrate the diverse range of members and customers to whom we provide hospitality (including their varying degrees of physical capability), we offer more than half a dozen different seating options throughout the Club. We cater to teenagers, through to members in their nineties who hold the last living memories of World War II.

We are not a “one option suits all” type of venue, so any changes we make have to be meticulously researched and planned, especially as we have a very limited pool of retained funds with which to appease our various customer segments. Regular drinkers, players, diners, smokers and veterans all require attention but, of course, provide differing economic returns to the Club.

The Board is conscious of the fact that we trade in the Restaurant four lunchtimes per week and, in the Bistro, little more than five lunchtimes per week. Our fixed costs such as rent, rates, Foxtel, gaming machine expenses, etc are not lessened by the fact that we do not trade seven days per week or offer any dining service in the evenings. As I stated here last year, we continue to investigate the provision of live music, karaoke, trivia nights, “smokos” and other initiatives, which could be delivered in conjunction with (as an example) increased Bistro operating hours and differentiated food offerings.

The Board has committed to some initial expenditure for consultative review of how best we can leverage this Bistro area for entertainment, ideally with food and beverage service, of an evening and/or on weekends.

A primary objective in all of this is the expansion of business for the Club; possibly extracting some more money from your wallets, and definitely more money from a broadened customer base. Overall, to achieve better than 2018's 'break-even' cashflow, we need to attract more people, who will spend more money, into the Club. Improved signage is one topic on the Board's agenda, but even that brings with it some significant challenges that are being worked through by Club management.

We know that successful hospitality venues are characterised by the presence of quality food service. We now have that in the Restaurant for lunch, Tuesday to Friday. To a lesser extent, the Bistro is ticking some boxes for lunches, Monday to Friday. Achieving this has entailed some concessions to the caterer, which are being reviewed. We should be mindful that 2018 gross beverage sales were up by one-third from what they were in 2016, when we traded without catering for most of the year.

On behalf of the Club I record our particular appreciation of the extensive commitment and knowledge which has been provided to us by Carl Dumbrell in his capacity of Honorary Treasurer. I thank all of the Directors of the past Board and look forward to working with our incoming Directors.

The Board of Directors also records its particular appreciation of the efforts of the following people:

- Our wonderful staff, led throughout most of the past year by Cahill – and particularly Mick, Mary and Elma on the ground, first and basement levels respectively; plus Liz in Administration.
- Caterer Jason and Susan and their family, Anna and other food service staff.
- Angela Valentine Flint, Secretary and Treasurer of Combined Services RSL sub-Branch.
- Lastly and most importantly, our loyal Members and visitors who choose to patronise (and suggest to their friends) the Club ahead of other venues. We sincerely look forward to your increased custom throughout 2019 and beyond.

3. TREASURERS REPORT

Members had a copy of financials in front of them. The Treasurer stated that he had no confidence in the previous auditor and serious concerns for the tax position we are in right now. The previous auditor had not counted any of our major assets. The Treasurer has reported the previous auditor for not doing his job. If you look at the audit opinion, Chris has qualified his opinion.

Chris has done a thorough audit and has made some recommendations. We have a \$20,000 provision (for many years that never got looked at) for the poker machines. If you add up the jackpot numbers, you'll see they add up to \$70,000 at any given time. The provision has been upped by an extra \$50,000 to \$70,000.

Question from Terry McCarthy #1525

We need to do a life cycle on our equipment, see how long it's going to last.

The Treasurers response was he has implemented a depreciation record and schedule.

We have a sum of money in the bank in term deposits, about \$200,000.

The Club had a reasonably good trading year, but the Club is in an old building which is costing more each year to maintain. The Club has worked with the sub-Branch with new air conditioning. The Club has also had to install new dishwashers, ice machine and a new phone system. The Club trades five days a week, we have three levels, but pretty much only use one level full time. The Club is also lacking in the food department. We may have a good caterer, but we are not making money from him.

Question from Terry McCarthy (1525)

Why do we not make money from the food?

Carl Dumbrell: As we do not have an agreement with him

There have been huge improvements over the past twelve months and the Board will be working on a better business plan and strategic plan. We rely heavily on poker machines for revenue as most clubs do, but we need to look at other revenue streams. The good things are that we are member focused.

You will see some improvements we made last year. The TV on the balcony, and the sound system. Badge draw is back on and poker on Wednesday night gets a crowd in. I want to thank Geoff and the sub-Branch as well as Cahill who has really stepped up. He was thrown in the deep end and he's done a great job.

Question. Terry Kennedy (502)

As a member, I have had no communication in emails or anything like that about what's happening with the Club.

Response from Carl Dumbrell (Treasurer); That is something we are working on.

Angela Valentine Flint (3)

Angie states that the Club will be staying and that she would like Prince Harry to visit the Club whilst he is here for the Invictus games.

Ian Robertson (1582)

I would like to congratulate you on doing a full audit and bringing the books up to date.

Angela Valentine Flint (3)

On behalf of the sub-Branch, I would like to thank you for every member you joined up personally because that's building up our membership.

Brent Halligan (1523) You did make a comment on revenue for food and catering. I ask the board to be mindful of the fact that we have lost many caterers over the past few years because it wasn't profitable for them to operate. We have to be very careful at reaching arrangements with them.

Carl Dumbrell (treasurer) We are not going to lose the caterers. This is a very delicate conversation we've been having. We need to find some common ground, it's a negotiation process with our caterers. The restaurant is a very different offering to the bistro, what we obviously need to look at is maybe some changes downstairs. The restaurant has a very loyal patronage and we're not going to lose that.

Motion: That the Treasurer's Report for the year ended 31st December 2018 be accepted.

Moved: Terry Kennedy (582) **Seconded:** Ian Robertson (1582)

Motion Carried

4 2017 ELECTION OF THE BOARD OF DIRECTORS

The Returning Officer announced the following results in the election of 2017 Board members:

President	Geoff Coffill	(Ex-service)
Vice President	Wally Benington	(Ex-service)
Honorary Treasurer	Carl Dumbrell	(Social)
Directors	Bob Nugent	(Ex-service)
	Terry McCarthy	(Social)
	Garry Wordsworth	(Social)
	Clarita Davidson	(Social)
	Stephen Warnock	(Social)

There was a vacant position for a director (Ex-service) that was not filled on the night.

5. APPOINTMENT OF CLUB AUDITOR

Motion: That Chris Wong be appointed as Club Auditor

Moved: Tim Kichington (828) **Seconded:** Stephen Parker (1282)

Motion Carried

7. ORDINARY RESOLUTIONS

ORDINARY RESOLUTION 1

That, pursuant to the Registered Clubs Act:

- A. Members hereby approve and agree to reasonable expenditure by the Club in a sum of not exceeding **\$10,000** (net of GST) until the next Annual General Meeting of the Club, for the following activities of Directors:
- a) The reasonable cost of meal and beverages for each Director immediately before or immediately after a Board or Committee Meeting on the day of that Meeting where the Meeting corresponds with a normal meal time;
- b) (i) Reasonable expenses incurred by Directors attending in relation to such other activities including entertainment of special guests to the Club;
(ii) Reasonable cost of Directors attending all functions and activities at the Club, deemed by the Directors to be of benefit to the Club.
(iii) Reasonable expenses incurred by Directors travelling to and/or from Board or Committee meetings.
- B. Members acknowledge that the benefits in paragraph A. above are not available to members generally but only to those who are Directors of the Club and those members who are directly involved in the above activities.

All in favour Carried

ORDINARY RESOLUTION 2

That, pursuant to the Registered Clubs Act:

- A. Members hereby approve to reasonable expenditure by the Club in a sum not exceeding **\$12,500** (net of GST) for professional development and education of Directors to enable the Club's governing body to be kept abreast of current trends and developments, which have a significant bearing on the nature and way in which the Club conducts its business, until the next Annual General Meeting.
- B. Members acknowledge that the benefits in paragraph A. above are not available to members generally but only to those members who are Directors of the Club and those members directly involved in the above activities.

All in favour Carried

ORDINARY RESOLUTION 3

That, pursuant to the Registered Clubs Act:
Members hereby agree to approve expenditure by the Club for a Board Annual Function in 2019 in a sum not exceeding **\$6,500** (net of GST) to be attended by Directors and their partner, senior Club management and their partner, local dignitaries, special guests and partners.

All in favour Carried

NOTES TO MEMBERS

These notes are to be read in conjunction with the proposed Ordinary Resolutions:

- 1. The first resolution is to have Members in General Meeting approve reasonable expenditure by the Club in relation to duties performed by the Club's Directors.*
- 2. The second resolution is to have Members in General Meeting approve reasonable expenditure by the Club in relation to professional development, industry awareness and mandatory (legislated) training for Directors.*
- 3. Each of the Ordinary Resolutions must be passed as a whole and cannot be amended from motions from the floor of the Meeting or divided into two or more separate motions.*
- 4. To be passed, each Ordinary Resolution must receive votes in its favour from not less than a simple majority of those members who, being entitled to do so, vote in person at the Meeting.*
- 5. The Board of the Club recommends the Ordinary Resolutions to Members.*

6. Special Resolutions

SPECIAL RESOLUTION 1

That, in accordance with Rule 18. (ii) (A), Mr. Peter J. Joass is hereby elected to the membership class of Life Member of the Co-operative, in recognition of his longstanding honorary service to the Co-operative.

All in favour Carried

SPECIAL RESOLUTION 2

Amend Constitution to enable postal and/or electronic voting.
~~Rule 42~~ (n/a)

All in favour Carried

SPECIAL RESOLUTION 3

That Rule 45.(d) of the Constitution is to be amended to:

“The vice president and at least two (2) of the remaining Board Members shall at all times be full members of the co-operative who are also ordinary members of the Combined Services RSL Sub-Branch of the Returned and Services League of Australia State Branch, Sydney.

The remaining members of the board may be social members of the co-operative provided that such social members on the election of the board obtain more votes for election to the board than any member of the co-operative who is an ordinary member of the Combined Services RSL Sub-Branch.”.

All in favour Carried

GENERAL BUSINESS

Sir Christoph Keane (1464)

Questioned why Burwood RSL gives \$20 Birthday voucher and why this Club didn't.

Answered with our budget won't allow us to offer that.

Ian Robertson (1852)

Is the Board still looking at updating the Clubs Constitution?

Carl Dumbrell; Yes, we are looking at changing the constitution.

Terry O'Keefe (1338)

I noticed that last years minutes were the 74th edition, does this mean that the next year will be the 75th anniversary and will the Club be doing anything.

Carl Dumbrell; Yes, The Club will look at commemorating the 75th anniversary of the Combined Services RSL Club.

There being no further business, the meeting closed at 7.30pm.