



**Combined Services RSL Club Co-operative Limited  
Trading As  
Barracks on Barrack**

**Member Presentation – Amalgamation with City Tattersalls  
Club**

**2 June 2021**



## Disclaimer

This presentation is for the sole purpose of preliminary background information to enable members to review the proposed Amalgamation of the Combined Services RSL Club Co-operative Limited ABN 56 006 024 764, trading as Barracks on Barrack (BoB) and City Tattersall Club ABN 44 004 054 353 (CTC).

The material provided to you does not constitute an invitation, solicitation, recommendation or an offer for membership or investment in either BoB or CTC. Copies of Club announcements including this presentation may be downloaded from [www.barracksonbarrack.com.au](http://www.barracksonbarrack.com.au) or general enquires may be made by telephone to the Club on (02) 9299 3688.

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## **Members Information Meeting**

- Meeting is not a General Meeting of the Club's Members for the purposes of Clause 31 of the Constitution
- No Voting will be conducted at this meeting
- No resolution can be proposed or passed at this meeting
- All members, staff and invited guests are welcome to attend the meeting and discuss the proposed Amalgamation



## Overview

- January 1943: The Combined Services RSL Sub-Branch was established at 5-7 Barrack Street, Sydney
- 4 October 1943: the Sub-Branch formed the Combined Services RSL Club at its inaugural Annual General Meeting
- The Club and the Sub-Branch are still operating together in the same building
- The Club has a long standing history with RSL, Legacy, TPI and other welfare services for the veterans community
- The survival of the Club, its traditions and membership is at risk



## 2020

- Due to Covid-19 restrictions the Club was closed from 23 March 2020 – 5 June 2020
- Upon re-opening on 5 June 2020 we operated with capacity limits and additional Covid-19 compliance costs
- The Club ran a GoFundMe campaign upon closure to raise money for staff
- Not all staff qualified for JobKeeper
- Revenue dropped by \$811K, loss of \$301K, cash funds down \$261K
- Significant cuts in costs across the business
- In November 2020 the Club called for expressions of interest from other registered clubs to Amalgamate
- In late 2020 we commenced formal conversations with Voluntary Administrators



## **Voluntary Administration (VA)**

- The board approved the entry into VA on 19 January 2021 and lodged the application with the Independent Liquidator and Gaming Authority, which was approved on 17 Feb 2021
- VA was completed on 30 March 2021, with controlled returned to the Club's board
- The Deed of Company Arrangement (DOCA) agreed by the Club's creditors requires:
  - BoB Amalgamate with CTC;
  - BoB and CTC execute a Memorandum of Understanding;
  - BoB and CTC execute a Deed of Amalgamation;
  - BoB and CTC execute a Management Agreement with CTC;
  - BoB/CTC and Sub-Branch negotiate a reduction in the Landlord's claim for outstanding rent;
  - BoB/CTC and Sub-Branch negotiate a new lease for the Club's premises; and
  - BoB/CTC and Sub-Branch obtain consent from Sub-Branch for the assignment of the lease to CTC upon successful amalgamation.



## **DOCA Progress 31 May 2021**

- BoB Amalgamate with CTC: **Requires Members Approval CTC/BoB**
- BoB and CTC execute a Memorandum of Understanding: **Completed**
- BoB and CTC execute a Deed of Amalgamation: **Completed**
- BoB and CTC execute a Management Agreement with CTC: **Completed**
- BoB/CTC and Sub-Branch negotiate a reduction in the Landlord's claim for outstanding rent: **Awaiting on Sub-Branch**
- BoB/CTC and Sub-Branch negotiate a new lease for the Club's premises: **Awaiting on Sub-Branch**
- BoB/CTC and Sub-Branch obtain consent from Sub-Branch for the assignment of the lease to CTC upon successful amalgamation: **Awaiting on Sub-Branch**



## **Year to Date – 2021**

- Loss to April 2021 \$175K
- Negative assets \$92K
- Cash funds as at 31 May 2021 \$95K
- Weekly expenses \$30K
- Financial facility from CTC \$250K, drawn \$146K
- Sub-Branch Rent & Council rates owing over \$150K





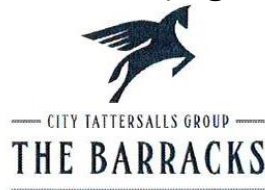
## Amalgamation

- BoB must pass a resolution by 20 July 2021 to Amalgamate with CTC, which BoB constitution requires be completed by Postal Vote and requires 75% of votes received to be in favour of the resolution
- CTC must convene two meetings of its members under its Rules to approve the Amalgamation
- CTC then has to call a third meeting to approve the changes in Rules to finalise the Amalgamation (CTC has up to 120 days to complete)
- BoB board remains in control of the Club until the Amalgamation is completed
- Upon Amalgamation all assets/liabilities transfer to CTC and BoB will call a final Postal Vote of members to wind up BoB



## Benefits of amalgamation

- BoB (venue) survives along with the traditions of the Club, it become part of the Amalgamated Club of CTC, which will operate at three CBD premises
- BoB will be renamed, CTC are considering "City Tattersall Group The Barracks" (e.g. of the new logo below)



- BoB members will be invited to become CTC Gold Members (i.e. social)
- BoB life members will become CTC Life Members (Amalgamated Club board to approve)
- Significant Club improvements completed by CTC
- Financial strength of the Amalgamated Club



## **Future management & staff**

- The Amalgamated Club will have the management structure, Board and CEO of CTC
- An Advisory Committee will be formed to oversee BoB operations
  - The Advisory Committee will have 3 CTC nominees and 2 BoB nominees (from the BoB board)
  - Advisory Committee will be in force and effect for no less than 2 years
- CTC will advise BoB of the staff it intends to employ
- CTC will give each BoB employee an employment offer in accordance with industry instrument and terms applicable to an employee in a similar role at CTC
- All staff entitlements will transfer to the Amalgamated Club for staff accepting employment
- BoB will be responsible for settling any costs for staff no longer employed



## Disadvantages of amalgamation

- BoB will not have a independent board of directors
- BoB will not have a board member on the Amalgamated Club board of directors
- Potential staff losses
- Potential changes to supplier and products



## **Risks if vote to amalgamate fails**

- BoB will run out of cash if trading does not significantly increase
- BoB is likely to be placed in receivership/administration
- All staff would lose their employment
- BoB members would lose their venue



## **Are there other options?**

- BoB seeks financial assistance from the Sub-Branch
- BoB Members raise funds via levy



## Resolutions to be put to Members of BoB First Special Resolution

*That the members hereby:*

1. *approve in principle the amalgamation of the Combined Services RSL Club Co-operative Limited (Administrator Appointed) ABN 13 485 506 734 trading as Barracks on Barrack (BoB) with City Tattersall's Club ABN 44 004 054 353 (CTC), such an amalgamation to be effected by:*
  - (a) *the continuation of CTC (as the amalgamated club) and the dissolution of BoB;*
  - (b) *the transfer of BoB's assets to Chairman of City Tattersall's Club for an on behalf of City Tattersalls Club; and*
  - (c) *the transfer of the club licence of BoB to the Chairman of City Tattersall's Club for and on behalf of City Tattersall's Club (or to the CTC, as may be accepted by the Independent Liquor and Gaming Authority); and*
2. *declare the premises of BoB not to be core property for the purposes of section 17AI and 41E of the Registered Clubs Act; and*
3. *approve in principle the making of an application to the Independent Liquor and Gaming Authority for the transfer of the club licence of BoB to Chairman of City Tattersall's Club for an on behalf of City Tattersall's Club (or to CTC, as may be accepted by the Independent Liquor and Gaming Authority) for the purposes of such an amalgamation.*



*B*ARRACKS  
ON BARRACK

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