



17 September 2021

GENERAL MEETING

The Club will hold a General Meeting of Members to approve the Amalgamation with City Tattersalls Club on Wednesday 6 October 2021 commencing at 5.30pm.

Due to the COVID-19 pandemic and related issues, the meeting will be held virtually via a live videoconference.

Members who wish to virtually attend the meeting can register their attendance at:

https://us06web.zoom.us/webinar/register/WN_2uXV_VV7QCq_aqXMcqihgA

ANNUAL GENERAL MEETING

The Club's Annual General Meeting, will commence immediately following the General Meeting to be held on Wednesday 6 October 2021 commencing at 5.30pm, using the same Zoom meeting.

On behalf of the board and staff we look forward to seeing you upon our reopening. Stay well.

Yours sincerely

Carl Dumbrell
President & Treasurer

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COMBINED SERVICES RSL CLUB CO-OPERATIVE LIMITED
ABN 13 485 506 734
NOTICE OF GENERAL MEETING

NOTICE is hereby given of a General Meeting of the Members of **COMBINED SERVICES RSL CLUB CO-OPERATIVE LIMITED (BoB or the Club)** to be held on **Wednesday 6 October 2021** commencing at **5.30pm**.

Due to the COVID-19 pandemic and related issues, the EGM will be held virtually via a live videoconference.

Members who wish to virtually attend the meeting can register their attendance at:

https://us06web.zoom.us/webinar/register/WN_2uXV_VV7QCq_aqXMcqihgA

Alternatively, you can register by emailing the Club's President Carl Dumbrell at carl@cdtl.com.au.

BUSINESS

The business of the meeting will be to consider and if thought fit pass the Ordinary Resolution set out below to approve an amalgamation with City Tattersalls Club.

In addition to the General Meeting, members will be able to participate in a Special Postal Ballot to approve the transfer of assets from the Club to City Tattersalls Club as part of that amalgamation.

The General Meeting is a requirement of the *Registered Clubs Act 1976 (RCA)*.

The Special Postal Ballot is a requirement of the *National Co-operatives Law 2012 (CNL)*.

The materials for the special postal will be sent separately in the next month or two.

PROCEDURAL MATTERS FOR ORDINARY RESOLUTION

1. To be passed, the Ordinary Resolution requires votes from a simple majority (50% plus one) of those members who being eligible to do so are present and vote on the Ordinary Resolution.
 2. **Under the Registered Clubs Act, all members (other than Provisional, Honorary and Temporary members) can vote on the Ordinary Resolutions.**
 3. Members should read this Notice and the Memorandum of Understanding and Deed of Amalgamation on the Club's website.
 4. The Board recommends that the members vote in favour of the Ordinary Resolution.
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ORDINARY RESOLUTION

That the members hereby:

1. approve in principle the amalgamation of the Combined Services RSL Club Co-operative Limited (subject to Deed of Company Arrangement) ABN 13 485 506 734 (trading as Barracks on Barrack (**BoB**) with City Tattersalls Club ABN 44 004 054 353 (**CTC**), such an amalgamation to be effected by:

- (a) the continuation of CTC (as the amalgamated club) (the **Amalgamated Club**) and the dissolution of BoB;
 - (b) the transfer of BoB's assets to Chairman of City Tattersall's Club for and on behalf of City Tattersall's 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 (**ILGA**)).
- and
2. declare the premises of BoB not to be core property for the purposes of section 17A1 and 41E of the *Registered Clubs Act 1976*;
- 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 and 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.
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EXPLANATORY NOTES

Summary of Ordinary Resolution

1. The Ordinary Resolution is made up of the following parts:
- (a) **Paragraph 1** BoB is to obtain member approval for:
 - (i) the amalgamation merger of CTC (which will be effected by the winding up of the corporate structure of BoB and the continuation of the corporate structure of CTC);
 - (ii) the transfer of the assets of BoB to CTC;
 - (iii) the transfer of BoB's club licence to CTC which will take effect on and from completion of the amalgamation.
 - (b) **Paragraph 2** of the Special Resolution proposes to declare the premises of BoB not to be core property of the Club for the purposes of the RCA.
 - (c) **Paragraph 3** of the Special Resolution proposes members approve in principle the making of an application to the ILGA for approval of the amalgamation and transfer of the club licence.

Virtual meeting, Special Postal Ballot and the interaction of clubs and co-operatives laws

2. As BoB is a co-operative, the amalgamation process is governed by both the RCA and the CNL. Those laws impose different obligations on BoB for member approval for an amalgamation.
3. The RCA requires that the amalgamation be approved at general meetings of each club proposing to amalgamate.
4. Section 359 of the CNL provides that a co-operative must not do certain things except as approved by special resolution by a special postal ballot.

5. One of those things is the disposal of an asset, if the disposal would result in the co-operative ceasing to carry on a primary activity of the co-operative; or in the ability of the co-operative to carry on a primary activity of the co-operative being substantially impaired.
6. The proposed amalgamation will result in the disposal of all of BoB's assets to CTC as part of the amalgamation and in BoB ceasing to carry on being a registered club. Accordingly, the transfer of assets and amalgamation will result in BoB ceasing to carry on its primary activity, which is defined in the Rules as being the operation, maintenance and carrying on of a club.
7. Section 359(3) of the CNL allows the Registrar of Co-operatives to exempt a co-operative from compliance with a provision of section 359 and section 248 (the requirement to conduct a special postal ballot) in relation to a matter to which section 359 applies.
8. BoB applied for such an exemption to allow all voting to approve the amalgamation and approve the transfer of assets under section 359 of the CNL at the one meeting. That application was granted. A condition of such exemptions is that the Club allow pre-meeting/pre-poll voting on the Special Resolution at the premises of the Club.
9. This would have allowed for all approvals required for both the RCA and CNL to be sought at the meeting.
10. Unfortunately, given the lockdown that has prevented the Club from trading since 27 June 2021, the Board has had to resolve:
 - (a) to hold a virtual meeting, instead of a face to face meeting, to seek the approval of members for the amalgamation required under the RCA;
 - (b) it will not be possible for the members to attend the premises to vote "pre-meeting";
 - (c) accordingly, BoB will have to proceed with a special postal ballot.

Reasons for Amalgamation

11. The Club's Board has considered the Club's future for a number of years.
12. Due to its size and operations, the Club has not been able to offer as much in terms of its licensed premises, as other registered or hospitality clubs in the city.
13. This is due to the fact that:
 - (a) BoB does not own its land but still leases it from the trustees of the local RSL Sub Branch; and
 - (b) the licensed premises is effectively "land locked".
14. Furthermore, the COVID -19 pandemic had significant consequences for BoB as:
 - (a) BoB was closed from 23 March 2020 to 5 June 2020.
 - (b) When BoB could reopen, it was subject to limits on the number of patrons which could be admitted, and increased costs.
 - (c) Not all staff qualified for JobKeeper.
 - (d) Revenue dropped by approximately \$811,000. This led to a loss of \$301,000 and a decrease in cash reserves of \$461,000

15. Having regard to this, the Board formed the view in November 2020 that it would be in the Club's long-term interests to amalgamate with another successful registered club so that that entity could provide the capital needed to improve the BoB's operations and performance.
16. After careful consideration, the Board of BoB called for expressions of interest from other clubs for an amalgamation.
17. The Board pursued this option to help ensure the survival of a registered club licensed premises at the BoB site by having the backing of a larger registered club.
18. On 20 November 2020, in accordance with clause 4 of the Regulation, BoB called for expressions of interest (**EOI**) by a ClubsNSW E-Circular (No. 20-242) (Notice) – a form of calling for expressions of interest approved by the Secretary of the Department of Justice.
19. CTC submitted an EOI. This was the only EOI received.
20. However, following this, the Board resolved, on 19 January 2021 to appoint an administrator. The Board resolved to do this having regard to its duties to prevent insolvent trading.
21. As advised to members at the time, BoB was facing a dire financial situation which, in the Board's view, made appointing an administrator the only responsible decision to make.
22. Following this, the Board of BoB and CTC conducted negotiations on the terms of a possible amalgamation and entered into a Memorandum of Understanding (**MOU**) on 20 May 2021.
23. CTC has also provided funds to pay BoB's debts and end the administration, so that control of the club reverted back to BoB's Board. As part of that process CTC was appointed to manage BoB's day-to-day operations.

Need for Memorandum of Understanding

24. An amalgamation between two registered clubs is governed by the provisions of the RCA.
25. One of the requirements of the RCA is that the two clubs have to enter into a memorandum of understanding which covers various matters specifically required by the RCA to be covered.
26. BoB and CTC have entered into the MOU. The MOU was subsequently amended to allow for BoB to hold the meeting to consider the Ordinary Resolution virtually, as well as to extend the time period for BoB to comply with its terms (in part because of the requirement to obtain approval to hold the meeting to consider the Ordinary Resolution virtually).
27. The Clubs also entered into a Deed of Amalgamation on the same date as the MOU to deal with commercial and other matters which do not need to be included in the MOU.
28. Copies of the MOU and Deed of Amalgamation are currently displayed on BoB's website and noticeboard.
29. Members are encouraged to carefully read the terms of the MOU and Deed of Amalgamation and, if they have any questions or are seeking clarification of any matter relating to the amalgamation or what is contained in the MOU or Deed of Amalgamation, they should direct their enquiries to Carl Dumbrell, President.

Summary of Principle Features of the MOU

30. Set out below is a summary of some of the principal features of the MOU.

Condition to amalgamation

31. It is a condition to the amalgamation that:

- (a) CTC has been granted a lease of the BoB premises at 5-7 Barrack Street, Sydney (the **BoB Premises**) from amalgamation completion for at least 5 years, with an option to renew for a further 5 years, on terms that are similar to the existing lease terms with BoB (as well as an option to purchase the BoB Premises);
- (b) BoB ceasing to be the lessee of the BoB Premises; and
- (c) the BoB Premises not being 'core property' under the RCA.

Winding Up of BoB

- 32. The amalgamation is being affected by the winding up of the corporate structure of BoB and the continuation of the corporate structure of CTC.

Name of the Amalgamated Club

- 33. The name of the Amalgamated Club will be City Tattersalls Club. The BoB Premises will trade as and be promoted as "City Tattersalls Group The Barracks".

Constitution of the Amalgamated Club

- 34. The Constitution of CTC will be the Constitution of the Amalgamated Club. However, for the purposes of the amalgamation, CTC's Constitution will be amended to admit members of BoB.

Facilities and Premises of the Amalgamated Club

- 35. With effect from completion of the amalgamation, the Amalgamated Club will trade from both the BoB Premises and the CTC's premises. Currently, CTC trades from premises located at 94-204 Pitt Street, Sydney and 199 Castlereagh St, Sydney.
- 36. At Completion, the Amalgamated Club will operate from the BoB Premises and the CTC premises, on the terms set out in the MOU.
- 37. The BoB Premises will be known and promoted as "City Tattersalls Group The Barracks".
- 38. CTC will create an Advisory Committee for the BoB premises to exist for at least two (2) years from the Completion of the Amalgamation to comprise of three (3) persons nominated by CTC and two (2) members chosen by the Board of BoB. These two members are to be chosen from among the members who were directors of BoB at the Completion of the Amalgamation.
- 39. CTC intends to carry on the business of a licensed registered club under the RCA and the Liquor Act at the BoB Premises with the facilities and amenities of a registered club and operate those premises as a successful and well supported club premises.
- 40. CTC intends to improve trade at the BoB Premises.
- 41. CTC has already undertaken works at the BoB Premises to rejuvenate and renovate those Premises.
- 42. Furthermore, CTC may, within three (3) months after the completion of the amalgamation:
 - (a) Install up to forty-one (41) additional gaming machines at the BoB Premises;
 - (b) Further refurbish the interior of the BoB Premises.
- 43. The traditions, amenities, culture, facilities, activities and memorabilia of BoB will be maintained by the Amalgamated Club at the BoB Premises.

44. The Amalgamated Club will continue to support the community that was supported by BoB (as at the date of the MOU) and it will explore opportunities to expand community support.

Intentions regarding core property, cash and investments and poker machine entitlements of BoB

45. BoB Premises is currently core property of BoB. If the Ordinary Resolution is passed, and it will be non-core property of the Amalgamated Club.
46. Subject to the conditions in the following paragraph, CTC has agreed to trade from the BoB premises for at least 5 years from completion of the amalgamation.
47. CTC may cease to trade from the BoB:
- (a) if it is not financially viable for the Amalgamated Club to continue to trade; or
 - (b) upon the order of any government authority, Court or body with jurisdiction to administer the laws in relation to liquor, gaming and registered clubs which orders the permanent closure of the BoB; or
 - (c) if the premises were destroyed or partially destroyed by fire, floods, storms etc.
48. The cash and investments of BoB will be transferred to the Amalgamated Club on completion of the amalgamation.
49. BoB has 29 poker machine entitlements at the BoB Premises. On completion of the amalgamation these will become assets of, and be transferred to, the Amalgamated Club. CTC intends that they will be retained at the BoB premises.

Members - Admission to membership of CTC by members of BoB who are not members of CTC

50. All members of BoB who accept the invitation to become members of CTC pursuant to the Amalgamation will be admitted to membership of CTC.
51. A member of BoB will not be required to be proposed or seconded for membership of CTC.
52. After CTC and BoB have passed the resolutions approving in principle the Amalgamation, CTC will forward to each member of BoB who is then not currently a member of CTC a written invitation to become a member of CTC.
53. Any member of BoB who accepts the invitation referred to and agrees in writing to be bound by the CTC Constitution will be elected by a resolution of the Board of CTC to membership of CTC with effect from the date of Completion subject to the following requirements of the RCA:
- (a) the name of the member must be displayed on the noticeboard of CTC for not less than seven (7) days; and
 - (b) a period of not less than fourteen (14) days elapsing after the receipt of the acceptance for membership by CTC.
54. BoB's members who are admitted to membership of CTC will become a Gold Member of the Amalgamated Club for a period of 3 years (and following expiry may be renewed by the member in accordance with the rules of the CTC).
55. Any person who at Completion of the Amalgamation is a Life member of BoB will be admitted to Life membership of CTC.

Core property

56. The Ordinary Resolution also proposes that the BoB Premises be declared to be non core property.
57. Under section 41E of the RCA land owned or occupied by the Club is divided into “core” and “non-core” property.
58. **Core property** is defined in section 41E of the Act as any real property owned or occupied by the Club that comprises
 - (a) the licensed premises of the Club;
 - (b) any facility provided by the Club for the use of Club members and their guests; and
 - (c) any other property of the Club which is declared by the members to be core property, but does not include any land which is declared by the members not to be core property.
59. **Non-core property** is any land owned or occupied by the Club which is not core property.
60. The differences between core property and non-core property include that:
 - (a) core property can only be disposed of by the Club with the authority of a resolution passed by the ordinary members of the Club and then only by way of public auction or open tender; and
 - (b) non-core property can be disposed of by the Board of the Club without the need for members’ approval and by such methods of sale, eg private treaty or lease, as the Board considers appropriate.
61. The ordinary members of the Club can, by passing an appropriate ordinary resolution at a general meeting or Annual General Meeting, declare any core property to no longer be core property. If that occurs, that property, by that declaration:
 - (a) becomes non-core property for the purposes of section 41E of the Act; and
 - (b) can be disposed of by the Board without members’ approval.
62. For the purposes of section 41E of the Act, “ordinary members” means all members of the Club apart from Honorary, Temporary and Provisional members. This means that all members, apart from Honorary, Temporary and Provisional members, can vote on the First Ordinary Resolution.
63. If the Ordinary Resolution is passed, all of the BoB land described in the resolution (the land comprising the BoB Premises) will be declared to be non-core property of BoB.
64. In order to allow the amalgamation to proceed on the basis contemplated in the MOU, CTC proposes to seek the approval of its members under section 41E of the RCA to declare that is the land comprising the BoB Premises is not “core property” of CTC.

The Amalgamation Process

65. Each club must hold a meeting of its members to approve the amalgamation in the same terms as the Ordinary Resolution above.
66. CTC have held the meetings required by its Constitution to approve the amalgamation.
67. Once the members of BoB have approved the amalgamation, an application will be made to ILGA for its approval of the amalgamation. CTC will have the carriage of that application.

68. Once ILGA has given in principle approval of the amalgamation, there will be a formal commercial settlement. On the day of that commercial settlement the following things (among others) will happen:
- (a) BoB will transfer its assets (including the lease for the BoB Premises) to CTC (as the Amalgamated Club);
 - (b) all members of BoB who have consented to become members of CTC will be admitted to membership of CTC (as the Amalgamated Club);
 - (c) BoB employees who accept employment with CTC will become employees of CTC (as the Amalgamated Club);
 - (d) BoB's club licence will be transferred to CTC (as the Amalgamated Club) and CTC CEO will become the CEO of the Amalgamated Club; and
 - (e) the Amalgamated Club will be responsible for and trade from CTC Premises and BoB Premises.
69. The final stage in the amalgamation process is that BoB is wound up as a co-operative as the dissolving club in the amalgamation.
70. Under section 445(1) of the CNL, a co-operative may be wound up voluntarily only if a special resolution is passed by a special postal ballot in favour of voluntary winding up. However, section 445(3) allows the Registrar of Co-operatives to exempt a co-operative from compliance with a provision of section 445 or section 248 (the requirement to conduct a special postal ballot) in relation to a matter to which section 445 applies.
71. BoB applied to the Registrar for approval for exemption from compliance with section 445(1) at the time of seeking approval for an exemption from the requirements of section 359.
72. That application will be considered by the Registrar after the amalgamation has been completed.

Dated: 17 September 2021

By direction of the Board



Carl Dumbrell
President