



124th Annual General Meeting
Online 6pm

26 May 2020

House Keeping

- Number of members online
- Validation of members present – Duplications
- Establishment of a Quorum required (30 members)
- Conduct
- Recording of AGM
- How to make comments – Using the Chat Facility
- How to use the Poll tool in Zoom to vote
- How to move and second



Agenda

1. **Apologies:** For Members to table any apologies for the record
2. **John Healy Acknowledgement – Chairman**
3. **Minutes:** For Members to receive, review and confirm the minutes of the Annual General Meeting held on 28 May 2019.
4. **Election Results:** For the Chairman of the Club to confirm the results of the Election of Directors under the Triennial Rule.
5. **Proposed Resolutions:** For Members to consider, and if thought fit, to pass each of the resolutions noted below.
6. **Financial Reports:** For Members to receive from the Board a comprehensive Annual Report detailing information including the Director's Report, Statement of Accounts and Balance Sheet for the year ended 31 December 2019.
7. **Auditor's Report and Appointment of Auditor:** For Members to receive the Auditor's Report, as noted in the Annual Report, and to appoint KPMG as the auditors for the subsequent year.



Agenda

8. Matters for Discussion: To deal with matters duly submitted to the Board for discussion in accordance with the Club Rules. (to be submitted 21 days before the last Friday in April).

9. Financial Questions: To deal with financial questions duly submitted to the Secretary for discussion in accordance with the Club Rules. (Must be received by the Secretary 7 days prior to the AGM).

10. Amalgamation Offers in previous 12 months: For Members to receive notice of any expression of interest in an amalgamation, and any unsolicited merger offer, received from another club in the previous 12 months.

11. CEO's Report: For Members to receive a summary of proposed capital expenditure on improving, repairing, renovating or rebuilding the premises of the Club during the 12 months following the meeting and information current as at the end of May 2020 as to the assets and liabilities of the Club.



1. Apologies

Ms. Wendy Fisher M/Ship number 19569

Mr. John Newton M/Ship number 1853

Dr. Peter Summerhayes M/Ship number 13264

Mr. Bill Hurley M/Ship Number 7389

Mr. Kevin Smith M/Ship number 286



2. John Healy - OAM

3. Minutes



Adobe Acrobat
Document

Moved By:

Seconded By:

4. RESULTS OF 2020 DIRECTOR ELECTION

The Board is elected under the Triennial system, where the term of office of one third of the Board concludes each year. Details of its operation are set out in the Registered Clubs Act and reflected in the Club's Constitution.

The term of office of the 3 Directors in Group 2 will end at the conclusion of the 2020 Annual General Meeting, and nominations were called for three Group 2 Directors for a 3 year term. Retiring Directors were eligible to stand for re-election.

Following the close of nominations at 5 pm, Tuesday 7 April 2020 one candidate withdrew their nomination, as allowed by the Club's constitution, leaving only the required number of candidates, and a ballot will not be necessary.

The following candidates are therefore elected unopposed to Group 2 for a **3 year term**:

Lawrence **COY**

Roderick **FAULKNER**

Michael **STERNDALÉ-SMITH**



2020 ELECTION OF DIRECTOR RESULTS

From the conclusion of the 2020 Annual General Meeting the full Board of Directors of the Club will be:

Group 1 Martyn BERRY

Group 1 Kumar KALYANAKUMAR

Group 1 Annette NIVEN

Group 2 Lawrence COY

Group 2 Roderick FAULKNER

Group 2 Michael STERNDALÉ-SMITH

Group 3 Patrick CAMPION

Group 3 Paul CAVALLARO

Group 3 Jim CHEN

At the first Board meeting after the AGM, the new Board will elect by and from themselves the Chair and Vice Chair.

The term of Group 3 will conclude at the 2021 AGM.

If you require any further information please do not hesitate to call on 0432218026 or by email to returning.officer@ozemail.com.au

Philip Binns

Independent Returning Officer



5. Proposed Resolutions Requiring Approval

As presented to eligible Voting Members
in the Notice of AGM Published in the City Tatts Magazine
on the 1st week of March 2020 and displayed on the Club's
Notice Board and on the Club's Website



Resolution 1

Approving Life Members

That the Members hereby ratify the immediate appointment of the 130 Members whose names, appear on the Club's website to Life Membership under clause 37.1 of Club's Rules and approve for the Club to present these Members with their Life Membership and a gift, at a catered event.

The Members acknowledge that the benefits above are not available to Members generally, but only for those who become Life Members at the Annual General Meeting held in 2020

Explanatory Note

Under clause 37.1 of the Club Rules, a Member will automatically become a Life Member if they have been a Gold or Silver Member continuously for at least forty consecutive years. Traditionally, each year the Club holds a lunch for all Members who achieve Life Membership and presents them with a gift. This resolution is to ratify the appointment of those Members who have achieved Life Membership and to approve the Club presenting those Members with a gift at a catered event.

Correspondence received in favour of Resolution 1

Thursday 21st May 2020

Mr. Chairman

The approval of life members is a tradition City Tattersalls does every year.

We have 130 members of our Club that have waited 40 years for this moment, and I know what it feels to be given such honour.

I endorse the resolution and move that these people be inducted into life membership of City Tatts.

Life member 4926

Thank you.



In favour and moves the resolution for approval by members
Patrick McVicar M/Ship N 4926

Resolution 2

Honorarium

That the Members hereby approve:

(a) The payment of the following honorariums to Directors of the Club (plus the superannuation contributions payable by the Club under legislation) for services as directors of the Club from the Annual General Meeting held in 2020 until the Annual General Meeting held in 2021:

Office	Honorarium	Superannuation
Chair	\$20,000	\$1,900
Vice Chair	\$15,000	\$1,425
Director	\$8,000	\$760

(b) Such honorariums to be paid on a pro-rata basis if a Director only holds office for part of the term.

(c) The Members acknowledge that the benefits in (a) above are not available to Members generally, but only for those who are Directors of the Club.

Explanatory Note

Resolution 2 is to have members approve honorariums to be paid to Directors (plus the superannuation contributions payable by the Club) for duties performed by them during the period until the AGM held in 2021. Clauses 5.3 and 18.2 of the Club Rules allow the Club to pay the Directors an honorarium, but only where approved by a resolution passed at a general meeting.

The proposed honorarium takes into account changing circumstances of the Club including the further increase in the complexity of the Club's operations and the resultant increase in what the Club needs and expects from Directors. The payment of an honorarium to directors of a Club is very common.

The amount of the proposed honorarium is not inconsistent with honorariums paid to directors of other similar-sized clubs.

Each individual Director can choose whether or not to accept the honorarium. If a Director holds office for part of a term, the honorarium paid to that director will be paid on a pro-rata basis (which means the director will only receive part of the honorarium).

The present Board recommends the proposed resolution.

Correspondence received in favour of Resolution 2

From: Ray Dib [mailto:ray.██████████]
Sent: Wednesday, 20 May 2020 1:29 PM
To: Patrick Campion <PCampion@clw.com.au>; patrickc@citytatts.com.au
Cc: stephaniel@citytatts.com.au
Subject: Correspondence for AGM 26 May 2020

Mr. Patrick Campion
 Chairman of the Board
patrickc@citytatts.com.au
 cc: stephaniel@citytatts.com.au

RE: COMMNETS IN SUPPORT OF RESOLUTIONS 2 & 3 NOTED IN THE NOTICE OF AGM.

Dear Mr. Campion.

My name is Ray Dib and my Membership Number is 6847.
 I called into the Club last week to see the new coffee shop and to get an update from the CEO as to the re-opening of Corporate Concierge.

During my time with your CEO, I learnt that since COVID -19 hit our world, the members of the Board now meet weekly on a Thursday to review the Club's cashflow position and to discuss strategies ensuring the survival of the Club for its members during this unprecedented pandemic, which has certainly tackled the Club industry harder than many other industries.

I was advised by the CEO that these weekly meetings are likely to remain in place in future as part of your new normal, which is clearly not normal, but I congratulate you and the rest of the Board on your commitment to staying on top of things.

Mr. Chairman, I have had the privilege to be on the Board and Chair a successful Registered Club for many years. When I look at the honorariums being presented here today and I compare the proposed to those commonly approved by members of many other Clubs and reconcile the amounts requested for approval against the tremendous changed I have witnessed during my most recent come back to this club as a member, I found these to be humble and appropriate not only for the contribution each Board members makes to the betterment of this Club, but I note that this will be necessary for any Club wanting to attract younger and well qualify people to their Board in the future. Mr. Chairman, congratulations on the way you have handled COVID-19, I take this opportunity to say that your video messages to members are always inspiring, open and on point and on a final note I would like to encourage fellow members to vote in favour of resolution 2 and 3 each and every year.

I would greatly appreciate you finding a way to get a copy of this email to members at the AGM.

Regards
 Ray Dib

In Favour of resolutions 2 and 3 Ray Dib
 M/ship N 6231

Resolution 3

Expenses

That the Members hereby approve:

(a) the payment or reimbursement by the Club of the following benefits to the Directors to support them in the performance of their office and duties:

- (i) reasonable food and refreshments; parking; and communication and information technology;
- (ii) director education and training (including memberships) in connection with representation of the Club, or attendances (including with partner, where the Board deems appropriate) at events, professional conferences and seminars, or on study tours (including where the Board deems appropriate, internationally);
- (iii) reimbursement of out-of-pocket expenses reasonably incurred by a director in travelling between his or her usual residence or a place of work and the Club's premises for the purposes of attending any meeting of the Board or a Board Committee (including taxi fares and where appropriate and the circumstances permit, reimbursement for motor vehicle use on a mileage basis at the rates approved from time to time by the Australian Taxation Office as reasonable for taxation purposes; air fares; and overnight accommodation and associated expenses);

(b) The Members acknowledge that the benefits in (a) above are not available to members generally, but only for those who are Directors of the Club.

Explanatory Note

It is necessary and appropriate for the Directors to be active in performing their duties and pursuing the Club's success.

Directors' out-of-pocket expenses reasonably incurred in the course of carrying out their duties, can already be authorised by the Board. However, the proposed resolution in the interests of transparency makes disclosure of some of the types of expenses likely to be incurred.

The proposed resolution takes into account the still changing circumstances of the Club including the further increase in the size and complexity of the Club's operations and particularly, the continuing likelihood that the Board will need to plan for one or more major new projects.

The present Board recommends the proposed resolution.

Correspondence received in favour of Resolution 3

From: Ray Dib [<mailto:ray>]
Sent: Wednesday, 20 May 2020 1:29 PM
To: Patrick Campion <PCampion@clw.com.au>; patrickc@citytatts.com.au
Cc: stephaniel@citytatts.com.au
Subject: Correspondence for AGM 26 May 2020

Mr. Patrick Campion
Chairman of the Board
patrickc@citytatts.com.au
cc: stephaniel@citytatts.com.au

RE: COMMNETS IN SUPPORT OF RESOLUTIONS 2 & 3 NOTED IN THE NOTICE OF AGM.

Dear Mr. Campion.

My name is Ray Dib and my Membership Number is 6847.
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During my time with your CEO, I learnt that since COVID -19 hit our world, the members of the Board now meet weekly on a Thursday to review the Club's cashflow position and to discuss strategies ensuring the survival of the Club for its members during this unprecedented pandemic, which has certainly tackled the Club industry harder than many other industries.

I was advised by the CEO that these weekly meetings are likely to remain in place in future as part of your new normal, which is clearly not normal, but I congratulate you and the rest of the Board on your commitment to staying on top of things.

Mr. Chairman, I have had the privilege to be on the Board and Chair a successful Registered Club for many years. When I look at the honorariums being presented here today and I compare the proposed to those commonly approved by members of many other Clubs and reconcile the amounts requested for approval against the tremendous changed I have witnessed during my most recent come back to this club as a member, I found these to be humble and appropriate not only for the contribution each Board members makes to the betterment of this Club, but I note that this will be necessary for any Club wanting to attract younger and well qualify people to their Board in the future. Mr. Chairman, congratulations on the way you have handled COVID-19, I take this opportunity to say that your video messages to members are always inspiring, open and on point and on a final note I would like to encourage fellow members to vote in favour of resolution 2 and 3 each and every year.

I would greatly appreciate you finding a way to get a copy of this email to members at the AGM.

Regards
Ray Dib

In favour of resolutions 2 and 3 Ray Dib
M/ship N 6231

Resolution 4

Change to Interim Club

Having noted that:

- the Members previously approved, on 8 December 2015, for the Board in the name of the Chairman, on behalf of and for the purposes of the Club, to proceed with the proposed airspace development involving the design and construction of new Club premises, a hotel, various other commercial spaces and a residential apartment tower on the Club's property at 194-204 Pitt Street, Sydney (Project);
- the Explanatory Memorandum which accompanied the notice of meeting for the Special General Meeting held on 8 December 2015 and the resolution which was passed at that meeting, referred to interim Club works and an interim Club premises to be developed at 202-204 Pitt Street;
- the Board has since received advice from consultants that it will be better for the Project if the Club vacated the entire construction site during the construction period of the Project; and
- the Board is now considering the possibility of finding alternative premises or service providers to provide facilities and services to Members of the Club (but not necessarily all Members of the Club) during the construction period of the Project,

Resolutions 4 continues

The Members give CONSENT to the Board in the name of the Chairman, on behalf of and for the purposes of the Club, to:

- (a) proceed with the Project without the need to perform the interim Club works or to develop or operate an interim Club premises at 202-204 Pitt Street; and
- (b) do all such other things and to enter into all such other agreements, deeds or arrangements (if any) which the Board considers necessary or desirable, to be done or entered into, to provide alternative facilities and services offsite to Members of the Club (but not necessarily all Members of the Club) during the construction period of the Project.

Explanatory Note

On 8 December 2015, the Members gave consent for the Club, to proceed with the proposed airspace development. At that time, it was the thinking of the Board and the Project consultants that the Club would continue to trade from a smaller footprint from interim Club premises to be developed in the 202-204 Pitt Street building.

Since then, the Board has received advice from consultants that it will be better for the Project if the Club vacated the entire construction site during the construction period of the Project. Some of the benefits include:

- It would be safer for the Members and their guests if an interim Club did not operate from the 202-204 Pitt Street building. Construction sites can be dangerous, It involves impactful demolition and structural works to the existing Club and concerns have been raised about the construction of the hotel and residential apartment tower above, and adjacent to, the 202-204 Pitt Street building while it is occupied.
- There will be no need for staging works or protection works (i.e. the works required to develop the interim Club and to make it safe to occupy during the construction period of the Project), so the time to achieve practical completion for the new Club premises is expected to be reduced.

Explanatory Note – Continues...

- The money that the Club will spend on the interim Club premises won't be 'wasted' on temporary facilities and instead can be spent elsewhere - for example, the Club may be able to subsidise the cost for Members to use alternative facilities and services during the construction period of the Project.
- The interim Club at 202-204 Pitt St is subject to approval by City of Sydney of which carry additional cost and time risks.

The Board is still exploring the options available and would like the flexibility to move away from operating an interim Club from the 202-204 Pitt Street building, if the Board considers it necessary or desirable.

The present Board recommends the proposed resolution.

Correspondence received in favour of Resolution 4

From: sales1 [REDACTED]
Sent: Wednesday, 20 May 2020 1:26 PM
To: Patrick Campion <PCampion@clw.com.au>
Subject: AGM Resolution
Importance: High

In favour Shand Swadling
M/Ship N 16381

Hi Patrick

I hope you are well considering the circumstances and congratulations again on great tribute to John Healy.

I would appreciate if you could please table this correspondence at the AGM in Favour of resolution number 4. For the record my membership number is 1638 and I as you well know I have been a member since 1981.

Patrick, I would like to state my strong support of resolution 4. Having visited the Club recently and having asked Marcelo, your CEO to explain the reasons why this was all of the sudden important! Considering we always thought the interim Club was to be here at the Club.

I am now aware of not only the health and safety issues we face, but the potential costs of realising a temporary Club facility that will ultimately be redundant in 5 years. And the potential penalties the Club could face if it delays the construction of the new building, because of a live Club within a construction site. That is if we get a DA at all. Seriously what were we thinking when we approved this?

Pat, I am now also fully aware of the expansion plans the Board has for our Club, through the amalgamation opportunity process which I had no idea existed.

Now that I understand the possibilities, which I think are wonderful by the way, I can see how allowing the interim Club to be delivered off site, will in this instance allow us to relocate to a nearby site during the construction period saving the Club millions. Millions of dollars no one now has after having experienced COVID-19 and our Club been shut for trade for 9 weeks.

Pat, I am not only in favour of this resolution, and I encourage my fellow gym and Club members to vote in favour of it, but I urge you to review any other restrictions we may have under the existing approval we gave you in 2015, so we can present these to members and make necessary changes to support the Club swiftly.

Pat, I also take this opportunity to state my keen interest in being part of property committee if possible to help the Club review any obstacles and present these to my fellow members.

At the end of the day, we are all on this together.

Yours truly,
interCONTAINER
Shand / Sales

Correspondence received in favour of Resolution 4

Dear Marcello,

I am writing to explain to you that in my humble opinion as a new Life Member I would like to fully support your idea of an interim club offsite and the fact that currently our club should not be spending an amount of around \$ 8 million dollars to undertake renovations just so that we can still stay on site in Pitt Street.

The idea of a merger and an interim club in Castlereagh Street is absolutely fantastic.

The other comment is that in my humble opinion there is no way in the world that the staff and members will be able to operate from the current buildings whilst renovations and new building work is undertaken due to the severe noise and building work that will be going on for the next 5 years or so.

It is far better to move and give the builders a free hand to get on with the job of the new building work.

On this basis I am pleased as one of the newest life members from today, to propose this motion to this AGM and trust that it will receive positive acceptance from the membership.

As an Accountant I am not in favour of spending such a large amount of the Club's funds just for an interim club which in the long term will end up being wasted and we will not receive these funds back.

Far better for this money to be used in the new development of our great club and buildings in Pitt Street.

Thank you kindly

Regards

Peter Davis

B.Bus, Dip FS(FP),
FIPA, FFA, FTI, CTA, FNTAA, FTPA (TAX), AATF, FChFP, FIML, JP

In Favour Peter Davis – Life Member in 2020
M/Ship N 15029

Correspondence received in favour of Resolution 4





Support for Resolution 4 - AGM 26 May 2020



Christopher Downy <chris@chrisdowny.com.au>

To  Patrick Campion

Cc  Marcelo Veloz

 Reply  Reply All  Forward 

Mon 25/05/2020 11:11 AM

Chris Downy – Membership Number 45519

Mr. Chairman,

I am writing to you ahead of the AGM on Tuesday 26 May with my request that you table my support at the AGM in favour of Resolution 4 – Change To Interim Club.

I am an active gym member and visit the Club on a regular basis and have been doing so since 2007, when I joined.

I have read the explanatory notes accompanying the resolution, the CEO's Air Space Presentation shared with members a few weeks ago and I have discussed the matter with CEO about the options presented in that presentation.

Having been the General Manager External Affairs at the Star Sydney for a number of years, I am all too familiar with intrusive and complex developments and the impact they can have on a property's operations as well as on patrons. It is hard to see how an interim Club can be delivered safely and profitably at City Tattersalls during construction over what will be a lengthy period of time.

The opportunity to merge with another Club will facilitate an interim Club elsewhere without having to waste Club funds on temporary premises at City Tattersalls is in my view strategically important and commercially sound and I endorse this resolution.

Regards

Chris Downy

In Favour Chris Downy M/Ship N 45519

The Board is still exploring the options available and would like the flexibility to move away from operating an interim Club from the 202-204 Pitt Street building, if the Board considers it necessary or desirable.

The present Board recommends the proposed resolution.

Resolution 5 – Rule changes

That the Members hereby approve the following changes to the Club Rules:

- (a) Amend the definition of Board in clause 3.1 to read (strikeout means deleted, underlined means added): **Board** means the committee established from time to time in accordance with ~~clause 5.4~~ clauses 5 and 6 (previously known, and referred to in the CTC Act, as the Committee)
- (b) Amend the definition of Chair in clause 3.1 to read (strikeout means deleted, underlined means added): **Chair** means the person elected to that office (previously known as chairman) pursuant to these rules ~~clause 5.4~~
- (c) Insert a new definition for 'Junior Member' in clause 3.1 in alphabetical order as follows:
Junior Member means a person elected by the Board or deemed in accordance with these Rules to be a Junior Member of the Club.
- (d) Insert a new definition for 'Liquor Act' in clause 3.1 in alphabetical order as follows:
Liquor Act means the Liquor Act 2007 (NSW).
- (e) Amend clause 4.1(e) by deleting ', 1912'.
- (f) Amend the first sentence of clause 5.4 to read (strikeout means deleted, underlined means added): All Directors must be elected to their office as a director by the Voting Members as provided in these Rules.
- (g) Add the following sentence at the end of clause 5.5: The Board must also elect from among its members a replacement Chair or Vice-Chair if there is a vacancy in either or both of those roles (caused by the death, removal or resignation of the person in the role), at the first meeting of the Board after the vacancy occurs.
- (h) Amend clause 32.1 to read (strikeout means deleted, underlined means added): Only persons who are 18 years or more of age are eligible to be admitted as a Member in any class of membership (except for the class of Junior Member).
- (i) Amend clause 32.5 by deleting the words 'After 31 December 2005.'
- (j) Amend clause 32.6 by deleting the words ', at any time after 31 December 2005.'

- (k) Amend clause 33.1(a) by adding 'Junior Members' as class of Ordinary Member.
- (l) Renumber clause 35.1(d) to be clause 35.2.
- (m) Renumber clause 35.2 to be clause 35.3.
- (n) Renumber clause 35.2(a) to be clause 35.4.
- (o) Renumber clause 36.1(d) to be clause 36.2.
- (p) Renumber clause 36.2 to be clause 36.3.
- (q) Amend new clause 36.3 by replacing the reference to 'clause 36.1(d)' with 'clause 36.2.'
- (r) Amend clause 37.1(b) to read (strikeout means deleted, underlined means added): They have been a Gold Members, or Silver Member or Junior Members continuously for at least forty consecutive years.
- (s) Insert new clause 39A as follows:

39A. Junior Members

39A.1 To qualify for admission or continuing membership as a Junior Member a person must:

- (a) be under the age of 18 years;
- (b) satisfy the Board that he or she has an interest in taking an active part in the activities of the Club on a regular basis;
- (c) provide the Board with written consent from their parent or guardian to him or her becoming a Junior Member of the Club; and
- (d) be someone who, in the opinion of the Board, is suitable to be elected to Junior membership.

39A.2 Junior Members must only use those areas of the Club's premises in respect of which an authority has been granted pursuant to Section 22 of the Registered Clubs Act or in respect of which an approval has been granted pursuant to Section 22A of the Registered Clubs Act, and must not be served with or consume alcohol in the premises

39A.3 Junior Members must pay such annual subscriptions as the Board may determine from time to time.

39A.4 Subject to clause 39A.2, a Junior Member is entitled to all the other rights, powers and privileges of a Gold Member except a Junior Member is **not** entitled to:

- (a) receive notice of, attend or vote at any Annual General Meeting or other general meeting of members (except as otherwise required under the Act); or
- (b) stand for or propose or second the nomination of a person for election as a Director.

39A.5 When a Junior Member turns 18 years of age, their membership will automatically convert to a Gold Membership.

Explanatory Note:

The proposed changes to the Club Rules have been proposed by the Board to either correct an error, to clarify a rule or to introduce a new Junior Member class of membership.

Resolution 5(a) is proposed to clarify that the Board is established under clauses 5 and 6 of the Rules – not just clause 5.1.

Resolution 5(b) is proposed to clarify that the Chair is not elected under clause 5.4 of the Rules only, but under a process described in several provisions of the Club Rules.

Resolution 5(c) introduces a new definition for Junior Member.

Resolution 5(d) and (e) clarify that the reference to the Liquor Act in clause 4.1(e) is a reference to the Liquor Act 2007 (NSW).

Resolution 5(f) is proposed to clarify that the Directors are elected to their office as a director under clause 5.4 of the Rules – while the Chair and Vice Chair are elected by the Board under clause 5.5.

Resolution 5(g) is proposed to clarify that the Board may elect a Chair and Vice Chair if there is vacancy occurs in those roles.

Resolution 5(h) is proposed to clarify that Junior Members will be less than 18 years old.

Resolution 5(i) and (j) are proposed to simplify the wording of clauses 32.5 and 32.6 – as the references to 31 December 2005 are now redundant.

Resolution 5(k) is proposed to introduce the class of Junior Member as a type of Ordinary Member.

Resolution 5(l) to (q) are proposed to correct some clause numbering errors.

Resolution 5(r) is proposed to enable a member to count any period they have been a Junior Member toward their 40 years of continuous membership needed to achieve Life Membership – so long as it is continuous with Gold or Silver membership.

Resolution 5(s) is proposed to introduce the new class of Junior Member. A Junior Member will be a person less than 18 years of age who wants to participate in Club activities – eg. fitness centre, dancing, bowls or snooker. The parent or guardian of the Junior Member must provide the Board with their written consent for the child to become a Junior Member. Junior Members will only have limited access to facilities of the Club and will not have any voting rights.

The introduction of this class of membership will help expand the Club's membership base and will help the Club showcase its facilities and the benefits of membership to a younger generation. This will help ensure the longevity of the Club.

The present Board recommends the proposed resolution.

Original Resolution N 5

Correspondence received proposing amendments to the original Resolution 5

AMENDMENTS TO PROPOSED RULE CHANGES

Under the authority of clause 4 of the City Tattersall's Act we the undersigned submit the following resolutions to amend the resolutions proposed by the Board and, if agreed, be accepted by the meeting.

CHANGES TO RULES

Resolution 5(f) The first sentence of clause 5.4 be amended to insert "Subject to clause 6.16," at the start of the sentence and that the second sentence of clause 5.4 be deleted in its entirety.

Explanatory Note:

Previous amendments to the CTC Rules granted the Board the power to appoint a member to fill a casual vacancy. The proposed insertion clarifies the conditions under which members can assume the responsibilities of a Board member.

The second sentence does not appear to be either a rule or a condition, rather it appears to be a misleading comment.

Clause 6.1A of the CTC Rules states that Directors are to be elected in accordance with the "triennial rule" set out in Schedule 4 of the Act.

The first part of the second sentence of clause 5.4 of the CTC Rules indicates an elected member can expect to serve a term of approximately 3 years. Clause 5 (2) of Schedule 4 states a person elected to fill a casual vacancy at a general meeting is restricted to hold the office only for the residue of the term of office of the person who caused the casual vacancy. Example when Mr Sterndale-Smith was elected at the 2019 AGM his term was for 1 year only and not approximately 3 years.

The second part of the second sentence of clause 5.4 of the CTC Rules stating that a retiring director can renominate for election at end of a Directors' term of office is not required. Clause 6 of Schedule 4 is the authority for this action. Section 6 of the CTC Rules defines the full requirements to be met by all members wishing to nominate regardless of whether they are a retiring Board member or a prospective new Board member.

Resolution 5(s) s39A.1 (b) Replace the words "...taking an active part in the activities of the Club..." With the words "...taking an active part in the sporting activities of the Club....".

In favour of resolution with proposed amendments Michael Nolan - Life Member M/Ship 6243

Explanatory Note:

The Registered Clubs Act s30 (2) (e) states "A person under the age of 18 years must not be admitted as a member of the club unless the purpose of membership is to enable the person to take part in regular *sporting* activities organised by the club." (my emphasis).

The inclusion of the word "sporting" clarifies the condition of membership and ensures the CTC Rules comply with the Registered Clubs Act.

Resolution 5(s) Include an additional sub clause s39A.4 (c) "propose or second a person for admission as a member of the club."

Explanatory Note:

The Registered Clubs Act s30 (2) (f) states "A person under the age of 18 years shall not propose or second a person for admission as a member of the club."

The addition of this sub clause ensures the CTC Rules comply with the Registered Clubs Act.

Resolution 5 with Proposed Amendments

Rule Changes (Note: rule changes are subject to a confirmatory meeting)

Resolution 5 – Rule changes

That the members hereby approve the following changes to the Club Rules:

(a) Amend the definition of Board in clause 3.1 to read (strikeout means deleted, underlined means added):

Board means the committee established from time to time in accordance with ~~clause 5.1~~ clauses 5 and 6 (previously known, and referred to in the CTC Act, as the Committee)

(b) Amend the definition of Chair in clause 3.1 to read (strikeout means deleted, underlined means added):

Chair means the person elected to that office (previously known as chairman) pursuant to these rules ~~clause 5.4~~

(c) Insert a new definition for ‘Junior Member’ in clause 3.1 in alphabetical order as follows:

Junior Member means a person elected by the Board or deemed in accordance with these Rules to be a Junior Member of the Club.

(d) *Insert a new definition for 'Liquor Act' in clause 3.1 in alphabetical order as follows:*

Liquor Act means the Liquor Act 2007 (NSW).

(e) *Amend clause 4.1(e) by deleting ', 1912'.*

(f) *Delete the second sentence of clause 5.4 and aAmend the first sentence of clause 5.4 to read (strikeout means deleted, underlined means added):*

Subject to clause 6.16, aAll Directors must be elected to their office as a director by the Voting Members as provided in these Rules.

(g) *Add the following sentence at the end of clause 5.5:*

The Board must also elect from among its members a replacement Chair or Vice-Chair if there is a vacancy in either or both of those roles (caused by the death, removal or resignation of the person in the role), at the first meeting of the Board after the vacancy occurs.

- (h) Amend clause 32.1 to read (strikeout means deleted, underlined means added):
Only persons who are 18 years or more of age are eligible to be admitted as a Member in any class of membership (except for the class of Junior Member).
- (i) Amend clause 32.5 by deleting the words 'After 31 December 2005,'
- (j) Amend clause 32.6 by deleting the words ', at any time after 31 December 2005,'
- (k) Amend clause 33.1(a) by adding 'Junior Members' as class of Ordinary Member.
- (l) Renumber clause 35.1(d) to be clause 35.2.
- (m) Renumber clause 35.2 to be clause 35.3.
- (n) Renumber clause 35.2(a) to be clause 35.4.
- (o) Renumber clause 36.1(d) to be clause 36.2.
- (p) Renumber clause 36.2 to be clause 36.3.

(r) Amend clause 37.1(b) to read (strikeout means deleted, underlined means added):

They have been a Gold Member, ~~or Silver Member~~ or Junior Members continuously for at least forty consecutive years.

(s) Insert new clause 39A as follows:

39A. Junior Members

39A.1 To qualify for admission or continuing membership as a Junior Member a person must:

(a) be under the age of 18 years;

(b) satisfy the Board that he or she has an interest in taking an active part in the sporting activities of the Club on a regular basis;

(c) provide the Board with written consent from their parent or guardian to him or her becoming a Junior Member of the Club; and

(d) be someone who, in the opinion of the Board, is suitable to be elected to Junior membership.

39A.2 Junior Members must only use those areas of the Club's premises in respect of which an authority has been granted pursuant to Section 22 of the Registered Clubs Act or in respect of which an approval has been granted pursuant to Section 22A of the Registered Clubs Act, and must not be served with or consume alcohol in the premises

39A.3 *Junior Members must pay such annual subscriptions as the Board may determine from time to time.*

39A.4 *Subject to clause 39A.2, a Junior Member is entitled to all the other rights, powers and privileges of a Gold Member except a Junior Member is not entitled to:*

(a) receive notice of, attend or vote at any Annual General Meeting or other general meeting of members (except as otherwise required under the Act); ~~or~~

(b) stand for or propose or second the nomination of a person for election as a Director; or

(c) propose or second a person for admission as a member of the Club.

39A.5 *When a Junior Member turns 18 years of age, their membership will automatically convert to a Gold Membership.*

Explanatory Notes

The proposed changes to the Club Rules have been proposed by the Board to either correct an error, to clarify a rule or to introduce a new Junior Member class of membership.

Resolution 5(a) is proposed to clarify that the Board is established under clauses 5 and 6 of the Rules – not just clause 5.1.

Resolution 5(b) is proposed to clarify that the Chair is not elected under clause 5.4 of the Rules only, but under a process described in several provisions of the Club Rules.

Resolution 5(c) introduces a new definition for Junior Member.

Resolution 5(d) and (e) clarify that the reference to the Liquor Act in clause 4.1(e) is a reference to the Liquor Act 2007 (NSW).

Resolution 5(f) is proposed to clarify that the Directors are elected to their office as a director under clause 5.4 of the Rules – while the Chair and Vice Chair are elected by the Board under clause 5.5. [The cross-reference to clause 6.16 helps clarify that a Director may be either elected by Voting Members or appointed by the Board under clause 6.16. The second sentence of clause 5.4 is not necessary, as the duration of a Directors term is already dealt with in other provisions of the Rules – eg paragraphs 4 and 5\(2\) of the triennial rule set out in Schedule 4 of the Act.](#)

Resolution 5(g) is proposed to clarify that the Board may elect a Chair and Vice Chair if there is vacancy occurs in those roles.

Resolution 5(h) is proposed to clarify that Junior Members will be less than 18 years old.

Resolution 5(i) and (j) are proposed to simplify the wording of clauses 32.5 and 32.6 – as the references to 31 December 2005 are now redundant.

Resolution 5(k) is proposed to introduce the class of Junior Member as a type of Ordinary Member.

Resolution 5(l) to (q) are proposed to correct some clause numbering errors.

Resolution 5(r) is proposed to enable a member to count any period they have been a Junior Member toward their 40 years of continuous membership needed to achieve Life Membership – so long as it is continuous with Gold or Silver membership.

Resolution 5(s) is proposed to introduce the new class of Junior Member. A Junior Member will be a person less than 18 years of age who wants to participate in ~~Club~~[sport](#) activities [of the Club](#) – eg. fitness centre, dancing, bowls or snooker. The parent or guardian of the Junior Member must provide the Board with their written consent for the child to become a Junior Member. Junior Members will only have limited access to facilities of the Club and will not have any voting rights. [Junior Members will not be able to propose or second a person for admission as a member of the Club.](#)

The introduction of this class of membership will help expand the Club's membership base and will help the Club showcase its facilities and the benefits of membership to a younger generation. This will help ensure the longevity of the Club.

The present Board recommends the proposed resolution.

Resolutions 6

First Responder & Ex-Servicemen/Women Discount

That in light of the courageous efforts demonstrated by our first responders and armed forces during the horrific 2019 drought and bushfires and the most recent devastating impact of COVID-19, the Members hereby approve and authorise the Club to providing a discount of up to 15% on some or all goods and services supplied by the Club, as the Board may determine from time to time, to any Member or guest of the Club who is able to verify in a manner reasonably determined by the Board that they are;

- A current serving employee or member of the **Australian Firefighting Brigade** or service (e.g. **Fire & Rescue NSW** or **NSW Rural Fire Service**),
- A current serving employee or member of an **Australian Emergency Service** (e.g. **NSW State Emergency Service**),
- A current serving employee or member of an **Australian Ambulance** or **Paramedic Service**,
- A current serving employee or member of the **Australian Police Force** (whether State or Federal) and
- A **Current** or **Former** member of the **Australian Armed Forces** (including the **The Australian Army**, **The Royal Australian Navy** or **The Royal Australian Air Force**).

Explanatory Note

The Board of City Tattersalls Club recognises the courageous work of our emergency service providers and first responders, especially in light of the horrific drought and bushfire season we experienced in late 2019 and the most recent impact of COVID-19. The Board would like to honour the contribution these great Australians make to our great country and make them feel special and welcome at our Club.

In light of these events and the efforts of the remarkable Australians, the Board of City Tattersalls would like to formally acknowledge and honour their contribution these great Australians make to our country by extending to them a special discount as noted above on some or all goods and services supplied by the Club, as the Board may determine from time to time.

The present Board recommends the proposed resolution for approval.

Financial Reporting Information

6. Annual Accounts & 7. Auditor's Report

<https://www.citytatts.com.au/content/uploads/2020/05/2019-Audited-Accounts.pdf>

8. Matters for discussion & 9. Financial Questions



John McCreanor

Income and Expense Breakdown
across food & beverage per outlet

9. Financial Questions



Michael Nolan

General & Financial Questions

8. General Matters &
9. Financial Questions

8. Received from Michael Nolan - **Life Member**

Discussion Matters

Marcelo,

As provided under Section 20.4 of the City Tattersall's Club (CTC) Rules I submit the following matters to be discussed at the next Annual General Meeting (AGM), currently scheduled to be held on Tuesday 26th May 2020.

MATTER NO.1 AMENDMENTS TO THE CTC RULES

Background

Section 4 of the City Tattersall's Club Act states in part "... At any such meeting of which not less than thirty members are present , the proposed new rules or repeals or amendments of existing rules shall be submitted for the consideration of the meeting, and at the same may be approved, rejected, or amended by the majority of such meeting or any adjournment thereof,".

Of late the CTC has generally adopted the practise of conducting the voting on changes to the CTC Rules via a postal vote.

8. Received from Michael Nolan - **Life Member**

Discussion Matters

Question 1

Will the Board please explain how a CTC member at such a meeting can propose amendments and have these consider, and if agreed, accepted by a majority of other voting members, as provided for under Section 4 of the Act, when the postal voting procedures are utilised?

Answer to Q1

Amendments are not possible via the postal vote. What is possible is for members to vote against the resolutions put forward if they don't agree with the recommendation of the Board.

Members are always welcome to send in their comments in writing regarding the proposed resolutions for the Board to consider and share with members. This year for example, we have considered the amendments you sent us to regarding resolutions 5 and have shared these with eligible voting members. The Board has endorsed your recommended changes for the members to consider and if thought fit, approved the resolution with changes.

8. Received from Michael Nolan - **Life Member**

Discussion Matters

Question 2.

Will the Board please state the definition of “a meeting” used by the Club, the authority for the definition and detail their interpretation of this definition?

Answer to Q2

A gathering of people, in person or by other means.

Having regard for the background information noted by you in the preamble before your question, Authority for this definition and details regarding the interpretation of such definition derives from Section 4 of the City Tatts Act.

8. Received from Michael Nolan - Life Member

Discussion Matters

MATTER NO. 2 AIRSPACE DEVELOPMENT

Background

On the 8th December 2015 members voted to approve the proposed Airspace Development of the CTC premises based on the Resolutions presented to the meeting and on the accompanying Explanatory Memorandum.

Since that time there have been a number of events that have impacted the project, including;

The rejection of the initial DA1 lodged with the Sydney City Council

CTC negotiated a revised DMA with the Developer

The appointment of new architects

The **Provisional approval** of a revised DA1 by the Sydney City Council

The outbreak of the COVID-19 virus

While the Board has issued periodic updates on some aspects of the project there does not appear to have been any comprehensive update to members since the project was first approved in 2015.

8. Received from Michael Nolan - **Life Member**

Discussion Matters

Question

Will the Board please provide the meeting with a comprehensive update on the status of the Airspace Development project?

Answer:

Recently we have provided members with a detailed update on the development, which I have included in this presentation for your knowledge and that of other members generally. (Also published on the Club's website).

There are a number of key future updates that will need to be provided to members, post their vote on the proposed offsite interim Club. If the offsite interim Club is approved, we will be in a position to pursue an amalgamation opportunity that deals with the interim Club in a much more financially responsible manner.

We also anticipate that the impact COVID-19 has had over our Club, the Sydney CBD, the economy in general and the various business models evaluated as part of a future Club will need to re-evaluated. As soon as we have some clarity and we are in a position to present this to members, we will update members and it may also be necessary to propose further amendment to the currently approved resolutions that deal with the future Club.

9. Received from Michael Nolan - Life Member

Financial Questions

1. Trading Results

Gaming

The Trading Results show that revenue from Gaming in 2019 was \$908,905 (5.05%) less than in 2018 and well short of the projected revenue presented at the 2019 AGM. The 2019 Vs 2018 loss of revenue occurred in 3 of the 4 quarters in 2019 with majority of the loss occurring in the 4th quarter (\$801,466 or 16.1%) when compared to 4th quarter of 2018.

Question:

Has the Club identified any specific reasons for the reduction in Gaming revenue?

Answer:

The Club experienced a flood in the gaming area in January 2019 which had an adverse impact on trade. From August to October 2019, the gaming area was subject to a refurbishment also impacting accessibility, player and trade.

Also a reduction in gaming machine hold percentage of 0.8% compared to 2018 due to link payments also impacted the Club and the industry in general.

Increased link payouts of \$904K compared to 2018

Fortune Ox	\$198,723 difference
Dragon Link	\$627,756 difference
Treasure Storm	\$62,086 difference
Lightning Link	\$15,313 difference

9. Received from Michael Nolan - Life Member

Financial Questions

Question: Was there a one-off reason for the large reduction in the 4th quarter of 2019?

Answer: Increased Link payouts to customers.

Question: Was there a recovery in gaming revenue in Jan and Feb 2020 before the current COVID-19 impacted?

Answer: For the first two months of 2020 gaming revenue improved by 1.2% on the same period in 2019.

Gymnasium

The Trading results show that the Gymnasium continued to incur significant losses in 2019 (\$339,942) with the Club appearing to subsidise each gym member, on average, in excess of \$400 for the year.

Questions:

Does the Board consider it equitable to all members to continue to subsidise each of around 800 gym members an average in excess of \$400 annually?

Answer: No. As discussed at our meeting, following the significant impact COVID-19 has had over our Club, the Board has made the decision to consolidate both gyms into one operation and close the Men's Gym, Pool and Laundry in the basement level. This will create operational efficiencies and financial savings, yet still giving members access to quality gym facilities.

9. Received from Michael Nolan - Life Member

Financial Questions

Question:

The DA1 application lodged with Sydney Council shows that 2 of the 5 floors designated for occupation by the Club are designated for gymnasium related activities. Does the Board believe this level of allocation of facilities is warranted for an activity that has recorded many years of significant losses? If so, please justify this view.

Answer:

We have rationalised the gym space, the pool, steam room, sauna and change rooms into a single floor in the future Club. This will provide a more cost effective facility and efficient facility for members in the future.

9. Received from Michael Nolan - Life Member

Financial Questions

Membership

The Trading Results show a marked increase in membership fees in the 4th quarter of 2019 compared to the fees for the previous 3 quarters, whereas the 4th quarter fees in previous yearly are regularly smaller than for previous quarters in the year.

Question:

Was the 4th quarter increase due to the inclusion of revenue from the Corporate Concierge program?

Answer: Yes

If so;

What level of the revenue was associated with the program? *Answer: \$116,809*

How many members joined the program and what period is covered by the revenue? *Answer: 18 members, 12 months membership.*

How many members have joined the program for 2020? *Answer: 3*

Since the Corporate Concierge program is not a class of membership would it not be more appropriate to record only the actual members' membership fees (gold membership fee) in this category and to record the Corporate Concierge program fees in a separate account, like the policy adopted with gym membership fees?

Answer: Noted. We will make changes to the accounting process.

9. Received from Michael Nolan - Life Member

Financial Questions

What were the number of members, by category of membership, as at the 31st Dec 2019?

Answer:

Membership as at 31 December 2019	
GOLD	1,982
GOLD (3 year)	5,814
SILVER	1,033
LIFE	2,695
SOCIAL	700
SOCIAL (3 year)	5,649
TOTAL	17,873

9. Received from Michael Nolan - Life Member

Financial Questions

WORK IN PROGRESS

Note 14. Shows the addition of \$\$2,434,185 to WIP during 2019 and a total WIP balance of \$\$7,043,981 as at the end of 2019.

Questions.

What were the values of the major components added to WIP in 2019?

Answer:

<i>WIP 2019</i>		<i>Boonoona R&M 2018</i>	<i>13,309</i>
<i>Capitalisation of Wages</i>	<i>549,996</i>	<i>Lower Bar Entrance</i>	<i>13,076</i>
<i>Silks Gaming Refurbishment</i>	<i>444,910</i>	<i>Lower Bar Upgrade</i>	<i>12,125</i>
<i>Foyer Upgrade</i>	<i>370,195</i>	<i>Ladies Gym Upgrade</i>	<i>11,911</i>
<i>Midtown</i>	<i>273,132</i>	<i>Essential Services 2019</i>	<i>11,730</i>
<i>Silks Gaming Refurbishment - Backroom</i>	<i>175,774</i>	<i>Silks DA</i>	<i>10,965</i>
<i>Analysis & Research</i>	<i>147,169</i>	<i>Sports Lounge - Kogaroo Tenancy</i>	<i>8,767</i>
<i>Dispense Kitchen and Cash Room</i>	<i>134,308</i>	<i>Gadigal Upgrade</i>	<i>5,876</i>
<i>Boonoona R&M 2019</i>	<i>75,218</i>	<i>Staff Room</i>	<i>5,060</i>
<i>Business Centre - Esperanto</i>	<i>72,842</i>	<i>Mens Fitness Upgrade</i>	<i>1,456</i>
<i>Roof Top</i>	<i>70,326</i>	<i>196 Pitt St Tenancy - TABCORP</i>	<i>1,250</i>
<i>Mens Gym</i>	<i>23,540</i>	<i>194 Pitt St Tenancy</i>	<i>1,250</i>
			<i>2,434,185</i>

9. Received from Michael Nolan - Life Member

Financial Questions

What are the values of the major components of the Total value of WIP as at the end of 2019?

Answer:

<i>TOTAL WIP</i>	
<i>Capitalisation of Wages</i>	<i>4,082,924</i>
<i>Development Application</i>	<i>197,658</i>
<i>Airspace Display</i>	<i>25,309</i>
<i>Airspace Consultants</i>	<i>2,727,126</i>
<i>Silks Gaming</i>	<i>10,965</i>
<i>TOTAL</i>	<i>7,043,982</i>

9. Received from Michael Nolan - Life Member

Financial Questions

What is the total cost of the Air Space Development to CTC as at 31st Dec 2019?

Answer:

Total Cost for Airspace to date

<i>2019</i>	<i>823,127</i>
<i>Previous Year</i>	<i>6,247,865</i>
	<i>7,070,992</i>

Directors Expenses

What was the total cost of “Directors Expenses” in 2019? **Answer \$93,282**

What was the individual cost of the major components of the Directors Expenses?

Answer: <i>Travel Expenses</i>	<i>\$46,026</i>
<i>Meals</i>	<i>\$28,672</i>
<i>Professional Development</i>	<i>\$13,144</i>

9. Received from Michael Nolan - Life Member

Financial Questions

Expense Increases

The following expense categories show significant increases in the levels of expenditure:

Office Expenses	37.3%
Other Expenses	38.9%
Property Expenses	10.8%

What were the major reasons for the increased expenditures in each of these categories?

9. Received from Michael Nolan - Life Member

Financial Questions

Answer:

Office Expenses

<i>Sales Force</i>	<i>\$137K</i>
<i>IT Expenses</i>	<i>\$49K</i>
<i>Boonoona Booking Expenses</i>	<i>\$31K</i>
<i>Audit Fees</i>	<i>\$37K</i>

Other Expenses

<i>Young Professionals</i>	<i>\$76K</i>
<i>Website Expenses</i>	<i>\$19K</i>
<i>Business Subscriptions</i>	<i>\$25K</i>
<i>Sponsorships & Charity Events</i>	<i>\$42K</i>
<i>Restaurant & Bar Utensils and Disposables</i>	<i>\$47K</i>

Property Expenses

<i>Cleaning Expenses</i>	<i>\$91K</i>
<i>Boonoona Managers Fees</i>	<i>\$102K</i>
<i>Navarra Management Fee</i>	<i>\$87K</i>
<i>Expenses attributable to Rental Properties</i>	<i>\$37K</i>
<i>Repairs and Maintenance</i>	<i>\$89K</i>

9. Received from Michael Nolan - Life Member

Financial Questions

GST Liability

What was the CTC's net liability for GST as at the 31st Dec. 2019?

Answer:

\$116,500

ICD Loan

On the 2nd Feb 2018, the Chair circulated an announcement relating to the amended DMA with ICD. In this circular the Chair announced an interest-free loan of \$20 million from ICD. My reading of this was that the club would have no liability to pay interest in relation to this loan.

Note 19 of the Notes to the financial statements for 2019 includes the \$20 million loan under the Variable rates instruments.

Are there certain conditions under which CTC may have a responsibility to pay interest on the loan?

Answer:

No

9. Received from Michael Nolan - Life Member

Financial Questions

Section 43 Disclosures

These disclosures show that:

Overseas travel by directors and staff was \$37,254

Total consultancy costs were \$511,208

What portion of the total overseas travel was allocated to the Airspace development?

Answer:

\$29,202

What portion of the consultancy costs were allocated against the Airspace development?

Answer:

\$186,986

9. Received from John McCreanor

Financial Questions

- 1) Could the meeting have a breakdown of the income and expenses for each eating facility in the Club for the year ended 31 December 2019?
- 2) Could the meeting have a breakdown of the income and expenses for each lounge and bar in the Club for the year ended 31 December 2019?

Answers to John McCreanor's Questions

Breakdown of Income and Expenses for Restaurant Facilities 2019

	TOTAL	Dining Room	Zest	Legends					
REVENUE	1,952,172	34,514	1,574,847	342,811					
EXPENSES	2,854,007	58,181	2,254,042	541,784					
PROFIT/(LOSS)	(901,835)	(23,667)	(679,195)	(198,973)	0	0	0	0	0

Breakdown of Income and Expenses for Function Facilities 2019

	TOTAL	Omega	Gadigal	Nangamay	Lower Bar Functions	Dining Room Functions	Bowls	Functions	
REVENUE (inc Room Hi	1,715,692	215,450	602,394	186,564	487,751	68,203	17,313	138,017	
EXPENSES	1,176,519	169,647	375,017	51,261	355,107	80	1,240	224,167	
PROFIT/(LOSS)	539,173	45,803	227,377	135,303	132,644	68,123	16,073	(86,150)	0

Breakdown of Income and Expenses for All Other Food & Beverage Facilities 2019

	TOTAL	Silks Pokie Bar	Sports Bar	Celebrity Room	Cocktail Bar	Lime Bar	Lower Bar		
REVENUE	1,983,958	635,843	0	0	0	851,525	496,590		
EXPENSES	1,992,487	589,618	884	2,764	4,774	778,780	615,667		
PROFIT/(LOSS)	(8,529)	46,225	(884)	(2,764)	(4,774)	72,745	(119,077)	0	0

Amalgamation Offers

Received within the last 12 Months

1) Club Thirroul

2) The Castlereagh Club

CEO Report

Section 20.6 of the Club Rules states...

In addition to the matters specified in clause 20.3, the Board shall ensure the business of the Annual General Meeting includes provision for the members to receive information from the Board

as to proposed expenditure of the funds of the Club on improving, repairing, renovating or rebuilding the premises of the Club during the 12 months following the meeting; and further information, being information:

- a) as to the assets and liabilities of the Club and such other information as to the financial affairs of the Club as the Board considers useful and practicable to provide at the meeting; and*
- b) current as at the end of the calendar month immediately preceding the Annual General Meeting.*

Profit Forecast for 2020 vs Actual 2019

	2020 Forecast	2019 Actual
Revenue	\$28,465,406	\$25,205,613
Expenses	\$27,955,483	\$24,702,533
Profit/Loss – Pre-Tax	-\$625,000	\$503,080

The projected \$625K loss is a reforecast of the initial Profit estimate of \$509,923 assumed through the budget process before COVID-19 was declared a pandemic.

The impact COVID-19 has had over the Club finance since 23 March 2020 is an average loss per month including depreciation of \$400K per month.

Profit Comparisons as at 30th April 2020 v/s Budget and 2019 (4 months)

	P/L Actual 20	Budget 20 (C-19)	Var to 20	P/L Actual 19	Var to 20
YTD Total	(\$924,985)	(\$323,116)	(\$601,869)	\$57,996	(\$982,981)

Significant revenue impacts due to COVID-19

Gaming decrease	\$2,581,249	41% Down
F&B decrease	\$668,878	44% Down

Total Assets as at April 2020

	April 2020	December 2019	Variance
Total Assets	\$182,618,551	\$184,029,156	(\$1,410,605)
Total Liabilities	\$27,386,544	\$27,872,164	(\$485,620)
Net Assets	\$155,232,007	\$156,156,992	(\$924,985)

Total Asset reduction due to lower written down value of fixed assets

Total Liability reduction due to lower creditors and other payables.

Total Loans as at April 2020

	April 2020	December 2019	Variance
Bank Overdraft (net of all accounts)	\$1,005,021	\$256,836	\$748,185
Leasing	\$1,092,315	\$1,263,587	(\$171,272)
Commercial Bills (CBA Loan)	\$1,100,000	\$650,000	\$450,000
Sub Total	\$3,197,336	\$2,170,423	\$1,026,913
ICD Loan (Non Interest Bearing)	\$20,000,000	\$20,000,000	\$0
Total	\$23,197,336	\$22,170,423	\$1,026,913

CPI Increase for 2020

Maximum	2019	CPI Increase * 1.6%	New
Individual Building Job	\$2,157,158	\$34,515	\$2,191,673
Interest Bearing Liabilities	\$7,909,580	\$126,553	\$8,036,134
Airspace Development	\$39,932,042	\$638,913	\$40,570,955

CPI as defined in the City Tattersalls Club Act – CPI – Consumer Price Index means the number appearing in the Consumer Price Index (All Groups Index) for Sydney issued by the ABS

Proposed Capital Works Expenditure

1. Under the CTC Act. The Club is allowed to conduct capital works to the extent of \$2,191,673 for “Each job” as indexed by CPI each year. Our budgeted Capital Works to total expenditure for 2020 which includes, works to;

Boonoona improvements in 2020 amount to: \$250K

1. Each “job” will be reviewed and managed dependent on cashflow and revenue targets being met.
2. Where ever possible each job will be paid for from cash-flow, *however* circumstances may require the overdraft facility or other borrowings to be utilized.
3. Interest Bearing Liabilities can only reach a maximum of \$8.04m.

Fitness Centre – Memberships – For Approval

For services provided to the Fitness Centre:

- Charles Anscombe
- Brian Hallett
- Brian Adams
- Matthew Kayrooz
- John Lawler
- Patrick McVicar
- Anthony Russo

Air Space Project Update



Overview



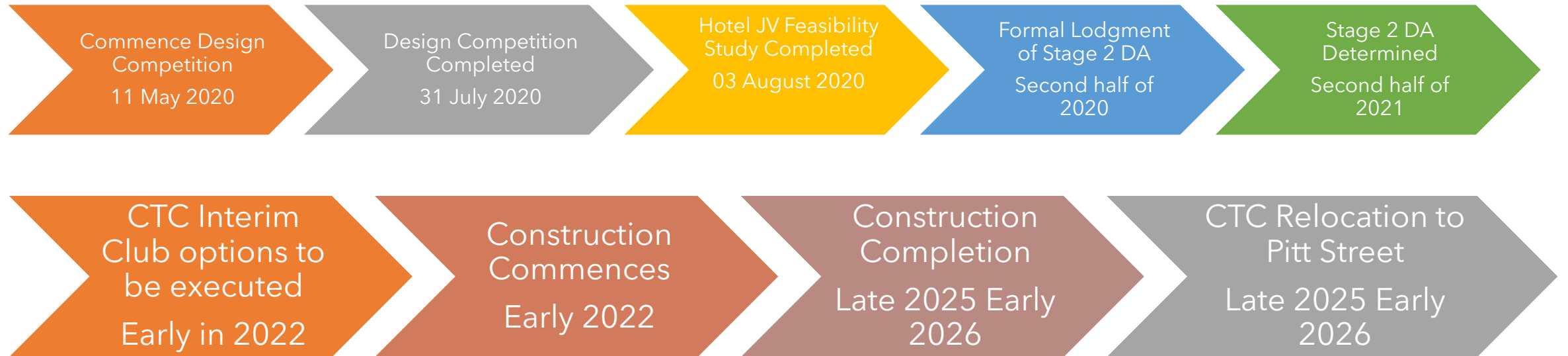
Members should know that despite COVID-19 placing incredible financial pressure on our normal Club operations since the Closure of Registered Clubs on the 23 March 2020, our Air Space Project continues a foot.

Our joint venture partners ICD Property and First Sponsor Group, have formed the view that speeding up our stage 2 development application process will play an important role in reactivating the Sydney Economy as it will not only create jobs, but it will provide businesses, small, medium and large with the opportunity to transact with us by providing a raft of goods and services.

At this stage the development team at ICD Property expects to submit the stage two development application in the second half of this year.

Current milestone dates for the development

At a high level the key milestones to be achieve over the next 6 years are summarised below.



Background



What was actually approved as part of the stage 1 DA approval granted on the 14 November 2019?

The stage 1 DA approval received by the City of Sydney Council in 2019 dealt with key high level considerations, such as;

- The building envelope. How big and wide the tower was to be and how the tower would be interpreted by City siders as they looked at the building from the street to ensure the heritage properties of our buildings would be retained and respected, and for the tower to be a backdrop secondary to the focus of the heritage significant building.
- It also dealt with setbacks that would protect neighbouring building and would ensure the new building could clearly be appreciated as an addition to the heritage building and not as one.
- Of course it dealt with heritage and all the very important aspects of our buildings that are to be preserved.

Why didn't the Club submit an application for The Proposed Interim Club when the Stage 1 DA was submitted?... a member recently asked!

The Development Management Agreement with the developer anticipated the submission of the interim Club DA after the Stage 1 DA was approved. It was the Club's view that submitting two applications to Council at the same time, could have been confusing and could have hindered the main application.

That said, the granting of the stage 1 DA, triggered a positive obligation on the Club to immediately commence the development of the interim Club DA application.

During the last three years, we have researched the likelihood of an interim Club created on our 202-204 building being safe, profitable (as anticipated), cost effective to build and also the impact such interim facility would have on access to the development site, traffic along Pitt Street and the time delays this would impose on the project impacting early completion and IRR.

After three years of consideration the Executives and the Board of your Club have come to the conclusion that it will be **SAFER** and in the best interest of the Club and its members to deliver an interim Club offsite, where members of City Tattersalls can still have access to the facilities the Club promised back in 2015, without committing millions of dollars into a facility that will ultimately be redundant!.

With the above statement in mind, during the 1st week of March 2020, the Board sent its members a number of special resolutions for approval as part of its Notice of AGM which is to be held online on the 26th May 2020.

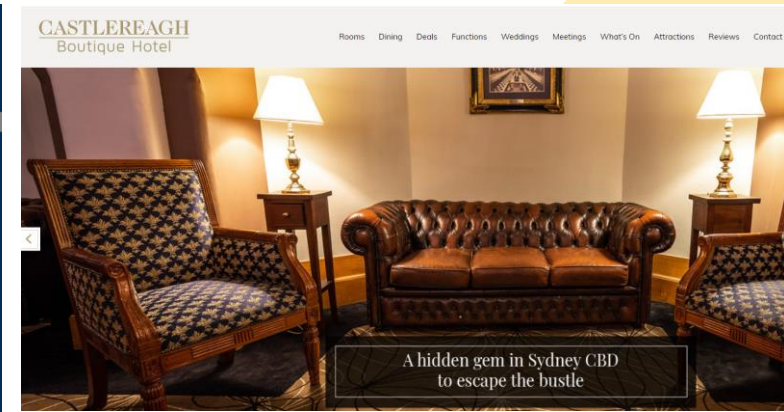
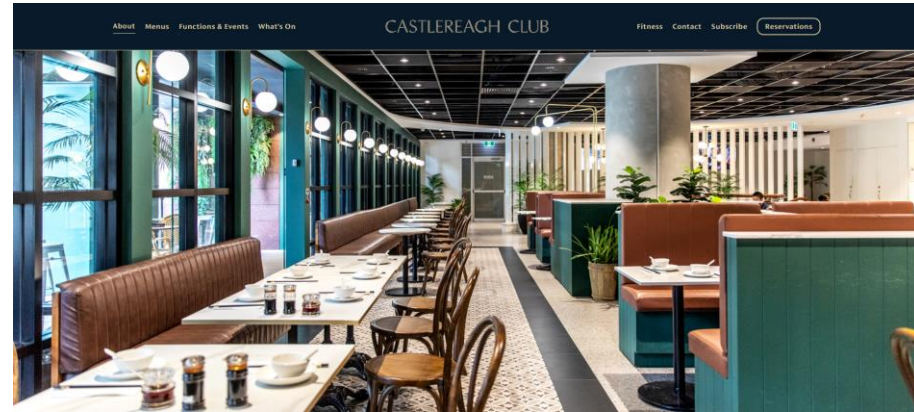
If the resolution is passed (*and with the Safety of its members and the public in mind, the Board hopes it is*), City Tattersalls will be in a position to use a current amalgamation opportunity with the Castlereagh Club to move its facilities to those premises and offer its members a raft of amenities for their enjoyment during and post the construction process.

Interim Club Options



How are Sub-Clubs going to be accommodated on an Interim Club offsite?

Pending members approval at the AGM, these are some of the relocation strategies for Sub-Clubs that currently use our Pitt Street building as a base for their activities.



- Men & Women Fitness Centre (cardio, strength and free weights equipment, spin rooms, boxing)
- Hair dressing Facilities
- Massage
- Food and Beverage Offerings
- Gaming
- Racquetball (in Squash Courts)
- Member's Lounge

- Temporary Relocation of Cheetahs Swimming Club for race meetings every Thursday

- Dance Club – Cello's
- Toastmasters
- Snooker Club Level 3 & 2
- Ladies Indoor Bowls
- Mah-Jong &
- Bridge Club (not a sub-club)
- Corporate Concierge

What else are we up to with the Development right now?

In arriving at a detailed stage 2 development application, we are currently undertaking an incredibly complex body of work that will enable our Joint Venture Partners to finalise documentation for the submission of a stage 2 DA prior to the end of 2020.

Internally we are presently reviewing;

- a) The initial Club concept designs.
- b) Essential services requirements for the interim club.
- c) Base build costs by the developer.
- d) Future circulation, accessibility and vertical transportation requirements and loading dock servicing.
- e) Spatial requirements for each Club offering, subject to heritage constraints.
- f) Best use of each space within the future Club to enhance the financial viability of the Club product offering.

Internally we are presently reviewing;

- g) Impact (cost, revenue and value) of a larger 200 room - upscale – upper upscale Hotel venture, instead of the original 100 rooms envisaged.
- h) Proposals received from four Project Management firms to assist the Club deliver its obligations in the project in a professional and timely manner.
- i) Advice received from hotel consultants on the hotel requirements, impact and synergies with the Club, and the residential component for both the 100 or the 200 Hotel Rooms options.
- j) Feasibility forecasts prepared before COVID-19 on cashflow, debt levels and capacity to service debt during and post development, Profit & Loss forecasts for both the Club and the hotel business over a ten year period.
- k) The originally proposed interim Club scenario, its costs, risks and profitability with a view to de-risk and perhaps use an amalgamation opportunity to deliver an alternate Club facility that will result in savings on both time and money.

Once we have finalised all of the works listed previously above, we will then be able to:

- Finalise a Principal's Project Requirements documents for both the Club and hotel and then have these accurately costed inclusive of FF&E and OS&E and consultants,
- Develop a tight brief for the Hotel components of the development, which is subject to design competition. (Note that the Club construction and fit out is not subject to the design competition, but will be developed in collaboration with the project's architects)
- Finalise financing arrangements for the Club fit out component,
- Work with the developer on selecting a builder,
- Move to an alternate location during the interim period, if such decision is in the best interest of the Club.

Facilities available when.... we are allowed to re-open... (1 June 2020)

- Lower Bar – **No service available until restrictions are fully lifted.**
- Combined men's and women's Gym on level 2 with dedicated men and women only classes. (**when allowed to re-open**) *Temperature checks on entry, strict social distancing restrictions. Members encouraged to download COVID Safe App, regular cleaning with hospital grade materials, regular PA announcements.*
- The Gadigal room is now being transformed into a multi purpose facility to deal with increased social distancing requirements. *Observing social distancing restrictions.*
- The Birrong Room will also be used to accommodate boxing classes. *Observing social distancing restrictions.*
- Gaming area to have every second gaming machine turned off to maintain social distancing, chairs will be removed from these EGMs. *Observing social distancing restrictions.*



Facilities available when.... we are allowed to re-open (1 June 2020)

- Lime Bar will re-open as an outdoor gaming facility *observing social distancing restrictions. Cashless.*
- Zest Kitchen will have a reduced menu and will operate on a order at bar and pick meal from service counter. *Observing social distancing restrictions. Cashless.*
- Business concierge will re-open. *Observing social distancing restrictions.*
- **There will be no functions center.**
- Legends Diner will not re-open until it is justifiable to open another food outlet.
- Snooker likely to open *under strict social distancing restrictions – awaiting advice from State Government.*



City Tattersalls AGM Presentation 2020

Thank you

Marcelo A. Veloz
CEO

