

SUTHERLAND UNITED SERVICES CLUB LTD (trading as CLUB ON EAST)

ANNUAL GENERAL MEETING – SUNDAY 24 NOVEMBER 2024

Chairman declared the meeting open at 11.01am and the Ode was recited.

"Good morning and welcome. Thank you all for coming, a great turnout."

APOLOGIES

We have two apologies. We have one from Ian Miller, a badge number 3103 and Ross Perry, 4131.

AGENDA ITEM 1

To confirm the minutes of the Annual General Meeting held on Sunday the 26 November 2023.

Request a Mover and a Seconder to receive the minutes of the Annual General Meeting held on Sunday 26 November 2023.

"I need a mover and the second day to receive the minutes of the annual general meeting held on Sunday the 26th of November 2023. Do we have a mover?"

Mover – Peter Krillis 2148

Seconder – Bruce Nicholson 3008

All those in Favour. Motion is carried.

To request the movers and a seconder to adopt the minutes of the annual general meeting on Sunday the 26 November 2023

"Do we have a mover?"

Mover – Robert

Seconder - Ken Bourke – 8813

All in favour

Motion carried.

"Any business for arising from the minutes of the meeting of Sunday November 2023."

Silence from the floor.

Motion is carried.

AGENDA ITEM 2

To receive and consider the report and statement of the board of directors.

"I'd like to introduce you to the club Auditor, ladies and gentlemen, Mr. Mark Lennon to give his presentation on the annual report 2024. Thank you, Mark."

Mark Lennon – Auditor

"Thank you Mr President.

As most of you are aware what I try to do is replace those statutory financial statements that you received, which have appeared under the corporations law and accounting standards and all that jazz because you?

Interjection from the floor from Dawn Emerson, 7075, suggesting Mark hold the microphone higher.

"My fault, sorry. Those financial statements are prepared to comply with the law and accounting standards and stuff and they're difficult to understand as far as I'm concerned, when I went to Uni, accounting standards we're supposed to help the users, but now they don't. So, what I do is I effectively push those to one side and try to present information that might be useful, so I hope it is and thanks to John I have this little pointer (referring to laser light pointing at presentation on screen). So, uh, looking at last year and this year, so we've got revenue for operations, other revenue. Now this other revenue figure is different to the financial statements by 1.8 million dollars from last year. And that is as some of you may recall last year, the Club did a revaluation of property and under the accounting standards, if that means that you're recovering previous right offs, then you've got to add that in his income."

"Well, um if you get that. I've left it out because it's not real in the sense of our operations. Hope there's no one here from your Australian Securities Commission, I'm in big trouble."

"Anyhow, so the real, I'll call it the real other revenue, that's last year that this year and then respective expenses, and then the operating profit \$12,000 this year's 781. Average number of members, profit per member. So that's what I call the financial highlights."

"Having a look at cash the club, the club deals in cash, obviously. That's its stock in trade, if you like. So, to look at a profit loss statement and see how we went in terms of profit is one thing, but then what happened to the cash? So, the actual cash from operations last year 6.2 this year's 6.8, almost 6.9. cost a good solve painting cash gives us our gross profit in cash. 2.7 last year four million this year; cash operating expenses. Then we come down to the cash from operating activities \$721 000; 1.3 million. And then what happened to that cash? There was a fair bit spent this year on improvements to the tune of a bit over a million dollars. So, the cash surplus was 264, we had that to the cash on bank last year and it comes to \$1.9 million, which agrees with the balance sheet. Which is meaning. Now, looking at this balance sheet, again, this is not the format that you have, I changed around, because what I try to do is to explain it to people in terms of your own assets and liabilities, they're not that different. It's just the numbers are different. Firstly, 22.1, 22.9. That movement is actually the profit for the year and then we look at what are the assets that we have that we might use within the next 12 months? Last year was 1.9 and this year is 2.2. Then we've got debts we've got to pay in the next 12 months, we call those current 795 last year, 856 this year."

"Now a very meaningful figure is the net current assets. This is not working now, (referring to laser pointer on presentation). Now the net current assets says last year 1.1 this year, 1.4. What that is, is what assets may we use within 12 months, what liabilities if we have to meet in 12 months and what's the difference? That's one of the measures of liquidity and how are we trading in terms of the future? There are quite a few clubs out there quite frankly, that the current assets are not that strong. What this is saying is, you have a surplus of assets over liabilities for the next 12 months of 1.4 million dollars. That's extremely strong. So, you effectively have two measures of liquidity and one is this net current asset position and the other one is net profit, both of which are stronger this year. Then we have non-current items which is your property plant and equipment and that comes down to your net assets, which actually agrees with your equity. So put the numbers aside and let's get a picture of where we are, this blue line is your revenue increase for the year. The red line is your expenses increase for the year. This one is showing you the net profit impact this year. That's just one year. That's pretty steep. So, when you actually see it like that, it's a whole lot different to looking at the numbers. What we just went through was the current assets and the current liabilities. That's what this looks like, and that gap between the blue line and the red line is the surplus. And what this is showing now here is what they call the current ratio, and that is the difference between the current liabilities and the current assets. We have 2.65 current assets for every one dollar of liability, which is a strong position."

"Now, the net cash flow what we saw before was the cash from operations, and that's how that's gone for this year. Revenue from a section, poker machines bar and other revenue. Expenses from each section, poker machines, bar, tab, keno and other 55%. If you want me to slow down, just tell me that. So, just having a look at the bar in particular, the bar revenue this year, how that's moved, and this red line is a trend line, showing how that's moving in terms of trend. The very interesting thing here may not have probably shouldn't say this too loudly, but the gross margin on the bar has actually gone down and what that means is effectively your

purchase of your liquor stock etc., has gone up about that whole increase is not being passed on. The club has absorbed part of that. But because of the large turnover, the profit's gone up."

"Poker machine trading, we pay GST, we pay government duties, and those two combined account for 25%, wages, other costs, depreciation, and net profit. Either I need new batteries, or this does John. (Laughter from floor). So, 67% of the poker machine takings were profit. And what does that look like? Gross poker machine takings? Is it green? That's how it's gone for the year and then government charges, of course, go on accordingly."

"Now, this looks very busy but it's actually quite simple. The red line is the number of poker machines that we have, which you'll see down the bottom here has been reducing, but the actual the yellow is the revenue, the machine takings has gone up. So, what that's showing along here going way back quite some time, the actual takings from clothing machines for 2024, 3.9 million, of this to begin. Number of machines 71, and so the gross takings per machine 61,000, which is extremely good. That's that. Should you have any questions? Questions. No?"

Chairman -

"Thank you, Mark. Put your hand together for Mark. Thank you."

We request a move and a second up to receive and consider the report the statement of the board of directors.

Mover – Glenn McAuliffe – 2405

Secunder – Kerri Smith - 6499

All those in favor?

All against?

Motion is carried.

To request a mover and a secunder to adopt the report and statement of the board of directors.

Mover – Robert Barr – 8108

Secunder – Ken Bourke – 8813

All those in favour?

Motion is carried.

Agenda Item 3

To receive and consider the balance sheet at the 30th of June 2024 and supporting financial statement for the year ended together with the auditor's report thereon.

Request a Mover for that.

Mover – Geoff Graham – 4080

Secunder – Glenn Gillroy - 2711

Thank you, all in favor.

All against?

Motions carried.

Request a mover and a second to adopt the ballot sheet of the 30s of June 2024 and support financial statement for the year ended together with the auditor's report thereon.

Mover – Fiona York – 7675

Secunder – Jeff Passfield – 4985

All those in favour?

All those against?

Motion carried.

AGENDA ITEM 4

First ordinary resolution - (Simple Majority 50% +1)

To consider and if thought fit, pass the ordinary resolutions regarding benefits to directors and others that for the purpose of sections 10(6)(d) and 10(6A) of the registered Clubs Act 1976, the members here by approve and agree to a reasonable expenditure by the club until the next annual general meeting of the club for the following activities.

- (a) reasonable expenses incurred by directors in attending to business for the club, including without limitation:

*The reasonable cost of a meal and beverage for each director when attending the club business, including immediately before or immediately after a board or committee meeting, on the day of that meeting when that meeting corresponds with a normal meal time.

*Travelling to and from director's meetings, committee meetings and such places as necessary to attend to club business of the club as approved by the board from time to time on the production of invoices, receipts for other proper documents documentary evidence of such expenditure;

- (b) the provision of blazers and associated apparel for the use of directors in representing the club.
- (c) reasonable costs of the directors and their partners attending the annual Christmas luncheon and other functions as approved by the board, and
- (d) the reasonable cost of directors undertaking directors mandatory training required under the club's New South Wales continuing professional development program.

2. The members acknowledged that the benefits in paragraph one are not available to members generally, but only for those who were directors of the club and those persons who are directly involved in the above activities.

"Can we get a movement for all that?

Mover – Peter Crimlisk – 2148

Seconders – Dawn Emerson – 7975

All those in favour?

All those against?

Carried.

Request a mover and a seconder that the members hereby approve and agree to the reasonable expenditure by the club until the next annual general meeting of the club.

Mover – Geoff Graham – 4080

Seconders – Ken Bourke – 8813

All those in favour?

Against?

Carried.

SECOND ORDINARY RESOLUTION (Simple Majority 50% + 1)

1. That for the purposes of section 106 B of the registered Club Act 1976, the members hereby approve that the board of the club be granted honoraria as follows subject to paragraph (b) below:

- (a) President \$200 per week
- (b) Deputy president \$180 per week
- (c) Treasurer \$150 per week
- (d) Other directors \$100 per week.

2. The members acknowledge that the benefits in paragraph 1 above are not available to members generally are earning for those who are directors of the club.

Request a mover for that?

Mover – Christine Sutherland 6178

Seconder – Glenn McAuliffe – 2405

All those in Favour?

Those against?

Motion Carried.

Request of mover and a second of that the members hereby approve and agree to the board of the club be granted the honoraria until the next annual general meeting.

Mover - Lisa Price – 3605

Seconder – Christine Sutherland – 6178

All those in Favour?

Those against?

Motion carried.

AGENDA ITEM NUMBER 5

To deal with any other business that the meeting may approve of which due notice has not been given.

"Anyone got to say anything?"

Dawn Emerson – 7975

"I'm concerned at Item (d) in the first resolution regarding aged persons, no longer going to be in the" (no microphone used, quiet voice of member) regarding recognition of people to be a perpetual member, Dawn stated she really appreciated being given the membership from the club and would like the perpetual memberships to be continued.

Scott discussed the aged memberships already issued would continue to stay in place.

Inaudible discussion from row of seats near Dawn. Scott then reassured members that perpetual memberships already in place are "grandfathered".

Chairman -

"Any other business?"

Robert Barr – 8108

Robert (no microphone used by member) discussed that with the view that the Bistro is doing so well, would the Club try in the future to put in their own staff and the Club run the Bistro?

Scott – Discussed that Mike has a very good name and that the Club had already tried previously to run the Bistro, and it was better to leave up to the experts. This club is one of his better venues, so this would not be considered in the near future.

Ken Bourke – 8813

Discussion re Oxford Street kitchen entry being an "eyesore" and requested a partition be erected

Scott discussed that renovations are being completed inside the club and then the outside also, and it will be improved and is on the wish list.

Jeff Passfield – 4985

Discussion regarding children's area downstairs and Parents not monitoring children, and disturbing the guests of the club. Concern a child or an elderly person could be injured as parents not monitoring, and suggested employing carers to work with the children and have pagers for the adults.

Unknown members from the floor interjected saying it was noisy and why could the area not be moved to the dining area. Loss of enjoyment for guests due to the noise. Suggested move to smoking area and delete the smoking area. Giggles from the floor.

Scott – Discussion regarding unsafe for children to be upstairs falling downstairs. Scott stated they are doing the best they can at the moment downstairs and looking into alternatives.

Rebecca addressed a question from unidentified member regarding which areas were contracted to Mike's Bar and Grill and the difficulty and practicality of moving the children's area.

Dawn Emerson – 7975

Unidentified – no microphone - Requested explanation of deletion of the Treasurer position as it had not been explained.

Scott explained the board was advised best to delete the position of Treasurer and a draft was drawn up and discussed at a Board meeting and approved as a draft, and if the members approved today, it would be approved.

More inaudible discussion from the floor.

Scott -

"Okay, so there was a submission, to the annual general meeting from Nicholas Tam badge number 942. Is Nicholas here today? No? Okay, so this is what Nicholas has in his submission is to SUS Club is to reinstate facilities proper coffee machine, snacks and cakes at its main bar and the services to complement normal bar activities. This would allow patients to have access to proper coffee and snacks outside bistro hours. The current restriction to providing this service during bistro hours only, is often highly inconvenient to patrons. In addition, patrons are required to waiting long queues of people just to get coffee. This is highly impactable. Many of the current bar staff are experienced in making coffee from a fully functional coffee machine, so once a machine is provided, little training should be required. Hopefully this submission may be given consideration for action."

Scott - "So previously the club had a cafe it was decided to put that out to tender. So yeah, the won't take back the cafe, it was run at high expense and Michael continue to run the cafe and we'll take on that advice."

Rebecca – No microphone

Discussion regarding cafe not being profitable under the Club and it would stay with Mike's Bar and Grill. She is discussing with Mike for best resolutions.

Interjection from the floor from woman sitting near Dawn Emerson, not identified, asking how long Mike's contract ran for.

Rebecca stated this was "commercially confidential"

Submission by Marcella Bilic that was sent in to Board of Directors – read by Scott

So, Professor Marcella Bilic wanted to propose a motion. Is Marcella here today? That the ban on dancing be lifted to allow dancing when there is music.

The motion was - "I proposed that the ban of dancing be lifted to allow dancing when there is music."

"Seems there was some misunderstanding. So, we received legal advice. It was noted that any such resolution must be both proper purpose and satisfied requirements. Further this motion does not satisfy proper purpose and that's a matter for management."

Chairman – "You are allowed to dance when there is music on downstairs, but you can't dance in the foyer of the club. That's what the problem was. She wanted to dance in the foyer of the club and knock a kid over or something and someone gets hurt."

From the floor – unidentified - "But that's what you have supervisors for."

Chair - "We did. Someone came and saw about it."

Scott – "Definitely no ban on dancing. We had 200 and 100 people dancing last night. We had a dance presentation at the club last week."

Chairman – "You can't dance on the bar."

Giggles from the floor

AGENDA ITEM 6

SPECIAL RESOLUTION (75% or more must vote in favour)

Read by the Chairman -

Special resolution to consider and, if thought fit, pass the following resolution as a special resolution: That for the purposes of article 82 of the company's articles of association and section 136 of the corporations Act 2001 and for all other purposes, the club adopt the provisions of the Constitution tabled at the meeting and signed for the purposes of the identification by the chairperson as the Constitution of the club in in substitution for the present memorandum and articles of association of the company (as amended from time to time) which is repeated.

Chair - "We need a mover for that?"

Chatter from unidentified members from the floor -

Unidentified member - "Is that part of the Treasurer thing?"

Scott - "So, in the notice of the AGM there was a chance for members, at least three days prior to comment on the constitution."

Inaudible discussion from unidentified on the floor asking for explanation.

Scott - "It's up to the members."

Unidentified - "So, what if we say no? Are we voting on that?"

Scott - "On the draft constitution, yes."

In audible discussion from the floor.

Inaudible discussion between the Board of Directors at table.

Chairman - "So can we have a mover for that?"

From the floor - unidentified - "For which? That whole thing?"

Inaudible discussion again from Board and floor -

Rebecca spoke saying she agreed she thought there should be a Treasurer, but that if it didn't pass now more time could be given and call a special resolution meeting. The other changes are very small minor changes. The constitution is very old. Referring to he and she and changes to use the wording of people.

Scott advised the information had been emailed and texted to members.

More interjection from unidentified members on the floor. Speaking over the top of each other. Inaudible.

Scott - "Uh, so I can run through I can run how that actually works with the rule. If that's what you're asking?"

Inaudible from floor.

Scott - "Because that is for the next 12 months there would be a treasurer."

Chairman - "Okay, might go with a show of hands in favour of that."

Interjection loudly from floor of "why" and inaudible.

Rebecca now holding microphone - "So what we have to do, is because it was presented as one change, one movement, the gender for all the changes in the constitution, we have to do a raising of hands for who is accepting it, who's not? And then we can go from there, but we can't extract the pieces from what I just discussed."

Inaudible chatter from floor

Rebecca - "So we just need 75% or more, so we're doing a show hands, which is going to be easiest. So, if you're in favor of adopting all the new changes that we put in the Constitution, which are minor other than the Treasurer, which is raising concerns, can you raise your hand? So, you agree that that is going become the new constitution?"

Members raise hands – Scott stands and counts. Rebecca makes notes at table.

In favour 22

Against 9

Inaudible discussion at Board table

Rebecca - "Just to compare numbers, can I get those that are against to raise your hands?"

Discussion between the board at table.

Rebecca - "So based on that, that did not pass, so given the comments that have been made, I think it'll just go back to the board and will come back with a special meeting and we will let all the members know."

Chairman - "We will discuss it moving forward."

AGENDA ITEM 7

To declare the names of directors elected for the ensuring year 2024 –2025.

Returning Officer – Dennis takes microphone

"Two elections were held, one was the treasurer, we will announce the results. Just before that I'll let you know that I work for company called Australian election Company. I have no contact or membership of this club. I am completely impartial."

"Okay, in regards to the election of treasurer, there were a total of 119 votes and 3 were informal.

John Barker received 43 votes

Ross Perry received 73 votes and has been elected, my congratulations to Ross Perry."

"The second election was for the election of two directors, and I'll announce the results in accordance with the ballot paper.

"There are 119 votes, they were all formal. No informal votes.

Jeffrey Passfield received 25 votes

James Docherty, received 31 votes

Lisa Price received 45 and has been elected.

Ross Perry received 30 votes,

Katherine Forman received 31 votes

John Barker received 30 votes

So, in that regard, Lisa Perry has been elected and there was a tie between second place between James Docherty and Katherine Forman.

Both received 31 votes”

“Now, pursuant to clause 35(3) of the constitution of the Club’s Constitution there will be a draw conducted by myself to determine who is the second elected director. So, in that regard, I will do that now, I’ve bought a box with both names of James Docherty and Katherine Forman. I’ll put those names in an envelope. I’ll show you as I do it. I’ll show the box around and then I’ll pick one out. The name of the person that I pick out will be the other director.”

Box draw conducted by Dennis from front row seats in front of members.

“Katherine Forman”

“So, the two directors as elected, Lisa Price and Katherine Forman. Thank you.”

Applause

Chairman - “Okay, that’s done and I’d just like to remind you, those in attendance there will be refreshments outside very shortly.”

Rebecca - “I’d just like to thank John for his time on the board. It’s been lovely working with you. Lovely gentleman, we’ll see you round still. But he’s done a lot for everyone. Thank you.”

Chairman - “Okay. We’ll see you out there for refreshments. I now declare the meeting closed Thank you.”

Meeting closed at 11:38