

SUTHERLAND UNITED – CLUB ON EAST – ANNUAL GENERAL MEETING - 26 NOVEMBER 2023

Meeting opened – 11.00am

Meeting was declared open at 11.00am by The President – Tony Hogan. The Ode was read by Tony Hogan and observed. Meeting was Chaired by The President – Tony Hogan.

APOLOGIES

Ross Perry – Badge 4131
Michael Mazzarella - Badge 5478

AGENDA ITEM 1

To confirm the minutes of the Annual General Meeting held on Saturday the 10th of December 2022. Request a mover and a seconder to receive the minutes of the Annual General Meeting held on Saturday the 10th of December 2022.

All in favour – 1

Against – Silence from the floor

Motion carried.

BUSINESS ARISING

No? OK.

Request a mover and a seconder to adopt the minutes of the Annual General Meeting held on Saturday the 10th of December 2022.

All in favour?

Against? - Silence from the floor

Motion carried.

AGENDA ITEM 2

To receive and consider the report and statement of the Board of Directors.

I'd like to introduce Mr. Mark Lennon to the meeting to give his presentation on the annual report 2023. Thank you, Mark.

AUDITOR'S REPORT

Mark Lennon – Club Auditor - “Thank you, Mr. President. Good morning, ladies and gentlemen. I’ll try to keep this brief. I say that every year, I think as I say, most used too, what I’m about to show you is significantly different to the published financial statements that were sent to you. Not that there’s anything wrong with either of those, it’s just that the financial statements of course have to comply completely with accounting standards, whereas what I’m going through with you today, I hope, may be of some benefit. I don’t think the accounting standards necessarily are, but anyhow, one of the major things I’d like to point out to you is the 2023 column, so this is a restatement of the profit loss account. Other revenue is 32,000. In the financial statements you have other revenue is 1.9 million. So, it’s just a slight difference between the two. The difference is on the 30th of June this year the club building and the land was revalued in accordance with an independent valuer came in and did it. Now, the last time it was done was about 10 years ago, it was 2013. Now in 2013, the valuation actually devalued the building down from what the books said it was by about 1.8 million.

So, this year when the revaluation was done, the building was revalued quite significantly more. So, under the accounting standard, it says that where there was a previous devaluation, if there’s a revaluation increase, you must offset that part of the increase against what was reduced in a previous period. So, in 2013. The buildings were devalued by 1.8 million. So, with the building revaluation, 1.8 million had to be called income in the profit and loss account. Now, to be very honest with you, I think that the call that income is quite illusory, and the problem is if we concluded that here the profit for the year as you have it is more than \$1.1 million which would be out of comparison with the previous year, totally. There would have no relevance to the previous year, and when we move into next year, that profit for this year would have no relevance to next year either because there wouldn’t be another revaluation.

So, in other words, it would be a total distortion. Please don’t quote me to the Accounting Standards Board, but that’s my opinion. So, I have deliberately taken that out of this, to show you what the results actually were without that \$1.8 adjustment, I hope you don’t mind, but I think that’s a bit more relevant. So, we actually came up with a profit for the year of 172,000, which of course is a \$250,000 turnaround, which is significant in itself.

Now I would say if you have any questions, please, please let me know, that’s not a problem.

Now the cash movements, this differs from the profit loss account because this is purely about cash, what cash came in and we can see that the cash for operations, the gross profit cash was 2.8 million in operating expenses. So, we had cash from operations of \$553,000.

Now what happens to that is we spend it on improvements, capital additions, those sorts of things, OK. We’re not talking about operating expenses at this level because this is after. Operating expenses, so its capital developments and things like that. So, you can see there’s \$766,000 in capital improvements. I’m sorry, that’s proceeds, they, OK, it’s not showing separately. Yeah, that capital proceeds expenditure \$766,000. So, there has been a lot of work done to the premises. Question? So, the end result of that is we had a cash surplus of \$1071.00. Which is fine, still surplus. And this is a question of where the money went, and the money went to developing the place and improving it for the benefit of members. Fantastic. That’s again my opinion. So that cash on hand at the end of the year does agree with the balance sheet. When we move into that.

Now this balance sheet, I have left the revaluation in there otherwise it wouldn’t balance and as an accountant I don’t like balance sheets that don’t balance. So, you can see that effectively, the effect of the, sorry, excuse me, (Mark limping on stage) I’ve pulled the meniscus in my knee. Do

you think of the reevaluation of the land and the building was \$11.8 million. Which is significant, in anybody's language. So that had a huge impact on our net asset position. Now from an auditor of point of view, I actually take that out to look at how the Club is trading, in the sense of continuing into future periods, OK.

So, two of the things I look at is does it have a positive cash flow from operations, which yours does. We just dealt with that. A lot of clubs don't. And the other one is does it have a surplus of current assets over current liabilities and yours certainly does. So that's where I come from, an audit perspective. Just a quick, what does that look like?

So, revenue, slightly in excess of expenses as we saw when we take up 1.8 million and it hasn't been that way for a little while. Our net profit was actually a profit this year. Current assets against current liabilities, I just spoke about it, and we had a ratio of 2.4%, which basically means of the assets that we have that we're realizing 12 months against the liabilities that we have to pay out of 12 months we've got 2.5 times the assets. So, this is a very strong position.

Cash flow from operating activities. Not much to talk about there. Revenue - Where does most revenue come from? And this is fairly typical of most years. Poker machines 53%, bar is up 29%, and then expenses for each of the sections, poker machines, 18%, bar 21% other costs including overheads 45. I'm going through it very quickly, (referring to PowerPoint presentation on screen for members) but you've got the account. So, bar revenue you can see this is infant increase there and a lot of this actually has to do with hangover from COVID. What happened in the prior three years as a result of COVID. Now, this year, we've come out of COVID and we're happy again. Both bar profit margins and the net profit. Something, yes, Coffee shop is really going well.

Poker machine trading, so where did the revenue from poker machines go to, 15% to government duties etc., wages 9% net profit. This is a summary of the type of machine takings before and after GST and government duties. So that just gives me a picture of the before and after. Then the poker machine trading this looks like a busy graph but effectively what it's doing is saying, it's showing the profit for the year in the in the yellow, and the number of poker machines we had is the has the red line, and then down the bottom. But summarising that to say, so what were the gross takings per machine? Because again from an auditor's perspective, in accounts analysis, that's relevant to me. That's about it. I hope that helps.

Any questions?

Graeme Hamblin – Badge 6857 –

Graeme asked why the land was valued every 10 years and would it not be better to make it every 5 years? There was also reference from Graeme regarding whether costs were prohibitive.

Mark Lennon advised he would let the Directors comment on that. (Inaudible discussion at Board table)

Mark then went on to say, in reference to the Board of Directors -

“What I explained to them is that there is no time in the accounting standards. The accounting standards doesn't put a time on it. Most people say well it should be done every three years or whatever. There is no time in the accounting standards it says, where it is the opinion of the

governing body, when the directors deem there has been a substantial movement or down, it should be revalued. The thing is though, where you've gotta have like this first, what's going through COVID? Do you really want revenue driven back and then because anybody who did would have distorted that information. But then on top of that there have been significant improvements, not just this year but in previous years as well. So again, couple of the clubs I audit are undertaking significant improvements and it would be pointless. So, it's a question of those all of those factors, but after that if the Board wanted. I hope that helps.”

Tony Hogan – President

I would like to request a mover and a seconder if you could raise your hand.

(Discussion between Rebecca and Tony – inaudible)

Rebecca Brabazon – I'd like to answer.

Tony – You'd like to answer?

Rebecca – I'd like to answer to how frequently we value.

So, I raised it as well. I'm an accountant so I was like it's been ten years that seems like a very long time. I would hope that we would do it quicker than that. I don't think the price is prohibitive with our current situation. (Inaudible) so definitely I would like to consider it would be in the next five years as well, obviously considering economic movements and that kind of thing. (Inaudible) Mark pointed out a good point but with revaluation, it can distort, and it should be done more frequently. So.

Tony – Thanks Rebecca. So, if we could have a mover and a seconder and yell out your name and badge number, please. Down the back. John?

Mover and Secunder to receive and consider the report and statement of Board of Directors.

Mover – John Adamson – Badge 6192

Secunder – Peter Crimlisk – Badge 2148

All in Favour – from the floor – I

Motion is carried

I'd like a mover and seconder to adopt the report and statement of the Board of Directors.

Mover – Jim McAuliffe – Badge 2405

Secunder – Peter Ovenden – 7314

All those in Favour

From the floor – I

All against - (silence)

Motion is carried

Tony Hogan – “I'd like to call on Scott Lindsay, the CEO of the Club to read out the Club improvements which have been done, so some of you, to keep you all up to speed on all of the Club improvements. Scott?”

Scott Lindsay – CEO

“Thanks Tony. Mark has just spoken about Club improvements, so I'd just like to go through a list of additions and improvements to the Clubhouse over the last year or so.

So, I'll just quickly go through these -

We refurbished the reception area; we've done up the reception area.

We have new plants at reception, new furniture in the Club.

A new cocktail bar.

The members Thursday night promotion.

The new back entrance, which everyone seems to love, where they can swipe their card to get in.

Mike's Grill has been introduced to the Club and it's been a great success.

We've done kitchen improvements on the ground floor and on the first floor.

As you can see, we painted the function room, so we've done the curtains up here as well. It looks very nice. There's new carpet come early next year also for up here.

Club Courtesy Bus. We've got the Courtesy Bus up and running.

We've done Sports lounge improvements, so it's now seen as the number 1 sports lounge in the Sutherland Shire.

Also, the TAB looks great down there as well, with the large screen TV's. We are putting all large screen TV's for advertising all round the Club.

We've done the Family Friendly room on Level 1 for all the families to be up here.

We've done the school holiday program for families, we've introduced that.

We improved the lighting round the exterior of the Club.

A new paging system has been introduced.

As already mentioned, new carpet downstairs, which looks fantastic.

The social media is up and running with both Facebook and Instagram.

Pay per view events such as the UFC, downstairs in the Sports Lounge.

Improved external signage, we've already spoken about.

The electronic sign-in system at reception, which is really a great upgrade since we've had the pay system.

Improved Club IT Systems.

Member emails, bingo on Wednesdays and Fridays.

Additional community bus parking on East Parade, and we made an official drop off and pick up zone outside Club Reception for people dropping people off.

Continued support of various community and sporting groups by way of the Club Grant's program.

Marketing the Club with marquees, Banners and signage at local events.

New air conditioning

Independent external review which looked at the Club's policies and procedures, that's only just been done, and we've received excellent results.

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On top of all that we now have 12100 plus members, which I believe to be a Club record. So, we have done very well over the last year or two, so I will just pass you back to Tony, our Club President. Thanks mate.”

Tony Hogan – President

AGENDA ITEM 3

I'd like to receive and consider the Balance Sheet at 30 June 2023 and supporting financial statement for the year ended, together with the Auditor's Report thereon.

Can we have a mover for that please?

Mover – Kerri Smith – Badge 6499

Secunder – Jim McAuliffe – 2405

All in Favour

From the floor – I

All against (silence)

Motion carried

“Next can I have a mover and seconder to adopt the Balance Sheet at 30 June 2023 and supporting financial statement for the year ended, together with the Auditor's Report thereon.

Mover – Jim McAuliffe – 2405

Secunder – Bill Flaherty – 9017

All those in Favour

Floor – I

All against - (silence)

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.

1. That for the purposes of sections 10(6)(d) and 10(6A) of the Registered Clubs Act 1976 the members hereby approve and agree to the 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 to 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 to such places necessary to attend to Club business of the Club as approved by the Board from time to time on production of invoices, receipts or other proper 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. (d) the reasonable costs of Directors undertaking Directors Mandatory training required under Clubs NSW continuing Professional Development Program.
2. The members acknowledge that the benefits in paragraph 1. above are not available to members generally, but only for those who are Directors of the Club and those persons who are directly involved in the above activities.

Request a Mover and Secunder to consider the Director benefits:

“Down the back?”

Mover – Christine Sutherland – Badge 6178

Secunder – Kerri Smith – Badge – 6499

All those in Favour

From the floor – I

Against (silence)

Carried

Request a Mover and Secunder that the members hereby approve and agree to the reasonable expenditure by the Club until the next Annual General Meeting of the Club.

“We need the Secunder’s name, Sorry. Could you repeat that please?”

- *Joan – Stenographer – request the badge number from Peter - (unfortunately it is difficult for people from the floor to have their voice clearly heard) - Peter approaches the Stenographer’s desk to advise) Joan and Tony thank Peter for approaching and providing details.*

Mover – John Adamson – Badge 6192

Secunder – Peter Ovenden – 7314

SECONDARY ORDINARY RESOLUTION (Simple Majority 50% +1)

1. That for the purposes of section 10(6)(b) of the Registered Clubs 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 but only for those who are Directors of the Club.

Request a Mover and Seconder to consider the Director Honoraria:

“Request a mover? Down the back?”

Mover – Christine Sutherland – Badge 6178

“Request a Seconder? Kerri?”

Seconder – Kerri Smith – Badge 6499

“To consider the Director’s Honoraria?”

All those in Favour

Floor – I

All those against - (silence)

(Discussion at the Board table – discussion of taking a count)

“We need a show of hands for the floor, so all in Favour. All those against? Sorry we didn’t count the for.”

Count in progress, when Michael Forshaw – badge 898 – speaks

Michael - “Mr Chair, can I just say, Michael Forshaw is my name, I’m the Director of The Tradies Club so I will not vote for this matter, because I don’t think that I should.”

From the floor – *Shushing of members to enable to hear Michael speak*

Michael - “I’m a Director of another Club. We have our own policy of honoraria and I’d rather not vote, so if I could be recorded as not voting.”

(Constant shushing from the floor – hard to hear in the room)

Tony - “So an abstention?”

Michael - “Yes, an abstention.”

Tony and Frank state that it is understandable Michael does not wish to vote and an abstention will be recorded.

Frank Zumbo - “Michael, do you have your member number there?”

Michael - “658.”

Michael Forshaw approaches the Stenographers table and shows a card for recording of abstention.

Tony - "OK, everybody for, put your hand up if you wouldn't mind? Thank you"

(Count proceeds)

All those against?

(Count proceeds)

Tony - "Thank you"

(Motion carried due to count but not stated by Chair) Numbers not provided to Stenographer for recording. Numbers recorded at the Board table and witnessed by room in front of all members and the Board)

Request a Mover and Seconder that the members hereby approve and agree to the Board of the Club be granted the Honoraria until the next Annual General Meeting.

Mover – Kerri Smith – Badge 6499

Seconder – Jim McAuliffe – Badge 2405

All those in Favour

From the floor – I

All those against - (silence)

Motion carried

AGENDA ITEM 5

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

"Any other business?"

"Down the back there?"

From the floor – Bill Flaherty – Badge 9017 - "Can I bring up general business?"

Tony - "Yeah, you can."

Bill- "Rightio, my name is Bill Flaherty – 9017 – I see the great expenditure you have done in the last year. My concern is the ah, how can we put it, the ah, not the toilets, ah the restrooms, there

you are, the restrooms. Ah yes, I have a concern with the restrooms. They are in such a situation now, that the ones that I need to frequent, they don't even have any handles on the taps now. I can't remember hot water being into our area, for probably at least 15 years. Maybe I'm wrong, but I don't think so. So, I'd just like to ask the directors, do you have any plans for spending some money on upgrading the restrooms? Because it is an embarrassment when I bring my friend here on a regular basis and they see those type of facilities..."

Tony - "Totally agree and we have just had three quotes done for the bathrooms. They will be started in January. Early January, mid-January, they will be started on the restorations of the bathrooms. Is that correct?"

Scott Lindsay - "Yes so, the bathrooms will be renovated in the first six months of next year? Yep. So, we've received quotes then. Yeah, definitely need doing Bill."

Bill - "So right that's that's going to get done."

Scott - "All those ones which need doing, they'll be they'll be refurbished."

Rebecca - "I thought this would come out. So, I just wanted to address anyone's concerns because I know we talked about it last year and we did have some emergency things we needed to fix. When we did have lots of money, the air con was completely down. We have electrical things we need to fix which were more of a priority because they have safety risks. I'm very conscious of the toilets, I don't know what the men's look like, but I'm told they're bad and that definitely is our next spend, big spend. It's very much conscious. I just wanted to let people know we are aware of it, we said we were doing, still, we are getting it done."

Bill - "Good to see moving on."

From the floor -

"4826 - Doris Wong – Is there a disability toilet or something? I'm not sure. I'm just asking?
(inaudible)

Scott - "Yes Doris, there is a disability toilet, a toilet in the Sports Lounge, and when the refurbishment happens, that toilet is going to get refurbished as well. OK, yes it will be redone."

Doris - "As I get older, I might need one (Doris giggles – members from the floor giggle)"

Scott - *(showing a happy, respectful smile)* "Yes Doris, they will be redone."

(Friendly giggles and comradery from the floor)

John Stewart – Badge 5018 - "Name is Jack, I just wanted to say, that I know the Club has been through a lot of renovations and my concern, I spoke to Scotty about the seats down there, the stools, they are very small, it's about the seats down there, (discussing the size and amount of time people are sitting on uncomfortable chairs and stools) for a long period of time, especially Melbourne Cup day, with no choice to sit on. And another thing too, when the NRL comes on, the football is there going to be any bands playing on Sat'day night downstairs in the Sports Bar?"

Scott - "So with the entertainment, In Winter, when the NRL is on, they'll come back upstairs for the ones that are in the sports bar, the larger bands and duos will stay downstairs and the trios, so the larger ones will come back upstairs. And, with the chairs, I'm getting quotes on getting some

different chairs with the same color downstairs, so they sort of match, and we'll get them in as soon as possible.

Jack - "OK."

Frank - "Yeah, Jack, we're very mindful and we're progressively going to renew the furniture too. So, you'll see that as a big expenditure next year as we coordinate the renovations of the toilets. Just to give you a better context, the renovation of the toilets will cost over \$300,000. So, it's been an issue to get competitive quotes. But Bill (referring to Bill Flaherty), they certainly are terrible, and they will be replaced at significant cost and disruption too. So, all of you, if you can be mindful that there will be disruption as we renovate the bathrooms, but the furniture Jack that that's been attended to by Scott and we will update the furniture across the Club, like these ones too."

Tony - "Thanks Frank. Any more general business?"

(Silence from the floor)

Tony - "OK."

AGENDA ITEM 6

To declare the names of Directors elected for the ensuing year 2023-2024.

"All reelected. All unopposed?"

(Silence from the Floor)

All unopposed

"Right, Ladies and Gentlemen, thank you for your attendance. Great to see such a great roll up for meeting and have a wonderful rest of your day and enjoy the refreshment and food coming out shortly. I now declare the meeting closed. Thank you."

(Applause from the floor)

Meeting closed at 11.30am