



NOTICE OF GENERAL MEETING

NOTICE is hereby given that a General Meeting of Bondi Golf and Diggers Club Limited (Bondi Golf and Diggers) will be held on Wednesday, 26 July 2017 at 6:30pm at the Club's premises at 5 Military Road, North Bondi NSW 2026.

BUSINESS TO BE CONDUCTED

1. Apologies
2. To consider, and if thought fit, to pass the Ordinary Resolution to approve in principle the amalgamation of Bondi Golf and Diggers with Eastern Suburbs Leagues Club Limited (ABN 63 000 249 490) (**East's Leagues**).

ORDINARY RESOLUTION

"That the members hereby:

1. approve in principle the amalgamation of Bondi Golf and Diggers Club Limited ABN 47 001 066 708 ("Bondi Golf and Diggers") with Eastern Suburbs Leagues Club Limited ABN 63 000 249 490 ("East's Leagues") such an amalgamation to be effected by:
 - (a) the continuation of East's Leagues (as the Amalgamated Club) and the dissolution of Bondi Golf and Diggers;
 - (b) the transfer of Bondi Golf and Diggers' assets to East's Leagues; and
 - (c) the transfer of the club licence of Bondi Golf and Diggers to East's Leagues;

and

2. approve in principle the making of an application to the Independent Liquor and Gaming Authority for the transfer of the club licence of Bondi Golf and Diggers to East's Leagues for the purposes of such an amalgamation."

Explanatory notes regarding the Ordinary Resolution

General

- 1 The General Meeting has been called to consider a resolution approving the proposed amalgamation of Bondi Golf and Diggers with East's Leagues.
- 2 The amalgamation of two registered clubs must be effected pursuant to the provisions of Division 1A of Part 2 of the Registered Clubs Act 1976 (NSW) (**Registered Clubs Act**).
- 3 Both East's Leagues and Bondi Golf and Diggers

hold club licences under the Liquor Act 2007 (NSW) (**Liquor Act**). Under section 17AB of the Registered Clubs Act, an amalgamation occurs when the club licence of one club is transferred to the other club, under section 60 of the Liquor Act.

- 4 The transfer of the club licence of Bondi Golf and Diggers to East's Leagues Club is subject to approval by the Independent Liquor and Gaming Authority (**Authority**). Under section 17AEB of the Registered Clubs Act the Authority may not approve the transfer unless it is satisfied that the proposed amalgamation has been approved in principle at separate extraordinary general meetings of the ordinary members of both clubs proposing to amalgamate (being in each case an approval supported by a majority of the votes cast at the meeting).
- 5 This means that the Ordinary Resolution must be passed before the Authority will approve the transfer of the club licence of Bondi Golf and Diggers to East's Leagues and for the amalgamation to proceed.
- 6 A general meeting of members of East's Leagues will be held on Tuesday, 25 July 2017. At that general meeting, members of East's Leagues will be asked to consider and approve a similar ordinary resolution.
- 7 If the amalgamation is approved by both clubs and the Authority, East's Leagues will continue as the amalgamated club and Bondi Golf and Diggers will be dissolved.
- 8 If the Ordinary Resolution is approved, the members will be authorising the making of the application to the Authority for approval of the amalgamation.

Terms of the amalgamation

- 9 The terms of the amalgamation are set out in a

Memorandum of Understanding (**MOU**) and Deed of Amalgamation (**Deed**) which have been entered into between the Easts Leagues and Bondi Golf and Diggers. The Deed deals with commercial and other matters connected to the amalgamation, which do not need to be included in the MOU.

- 10 A copy of the MOU is on display on the Bondi Golf and Diggers notice board and copies may be obtained from the Bondi Golf and Diggers administration office upon request.
- 11 A copy of the MOU is also available on the Bondi Golf and Diggers webpage at <http://www.bondigolf.com.au/>. The Board of Bondi Golf and Diggers recommends to members that they carefully read the MOU and Deed before attending the General Meeting.
- 12 In summary, under the MOU and Deed:
 - (a) Bondi Golf and Diggers will be wound up as the dissolving club in the amalgamation, with Easts Leagues being the continuing club as the corporate vehicle for the Amalgamated Club;
 - (b) Bondi Golf and Diggers' leased premises located at 5 Military Road, North Bondi NSW 2026 (being lots 1 and 2 in deposited plan 916095 and lot 7056 in deposited plan 93856. (**Bondi Golf and Diggers Premises**), comprising a clubhouse and nine hole golf course will become one of the licensed premises and facilities of Easts Leagues;
 - (c) Easts Leagues as the Amalgamated Club will maintain the sporting and social activities of Bondi Golf and Diggers (subject to consent of the relevant authorities being obtained);
 - (d) The future direction of the Amalgamated Club will be subject to the overall strategic plan of the Amalgamated Club and its finances. The Amalgamated Club will:
 - (i) promote and develop the Bondi Golf and Diggers Premises and other premises of the Amalgamated Club;
 - (ii) provide high quality facilities and services to members of the Amalgamated Club; and
 - (iii) Improve the trading position and increase the value of the assets of the Amalgamated Club.
 - (e) Members of Bondi Golf and Diggers will be invited to become members of Easts Leagues.
 - (f) Easts Leagues will offer employment to all employees of Bondi Golf and Diggers. Any employee who does not accept an offer of employment will be paid their documented and verified employee entitlements (except personal carer's leave).
 - (g) The Amalgamated Club will continue to trade at the Bondi Golf and Diggers Premises for at least 3 years following completion of the amalgamation unless the Authority approves of a disposal of the Bondi Golf and Diggers Premises within that period on the grounds it is

necessary to ensure the survival of Easts Leagues (as the Amalgamated Club) and the majority of members of the Amalgamated Club have approved the disposal, and subject to any new Crown Lease granted to Easts Leagues following expiry of the existing Crown Lease which is due to expire 31 December 2018.

- (h) Easts Leagues will honour all subscriptions paid by members of the Bondi Golf and Diggers up to the date of expiry of the subscription for the Bondi Golf and Diggers financial year in which the amalgamation is completed. This means that after this date, all members will need to pay annual subscriptions. Life Members of Bondi Golf and Diggers will continue to be recognised as life members in respect of the Bondi Golf and Diggers Premises but will not be Life Members of the Amalgamated Club although they will only be required to pay the minimum annual subscription for ordinary membership of the Amalgamated Club (which is currently \$2 per annum).

Reasons for amalgamation

- 13 Bondi Golf and Diggers has assets comprising its club licence at Bondi Golf and Diggers' Premises, 11 gaming machine entitlements, stock in trade and other moveable assets and a Crown Lease of its premises. The amalgamation will result in the transfer of the assets of the Club to Easts Leagues, including a transfer of the Crown Lease.
- 14 Both clubs are registered clubs which have similarities in their objects concerning the promotion of sporting and recreational activities.
- 15 Easts Leagues has a good history of amalgamations with other registered clubs. Easts Leagues currently operates from 5 registered club sites following successful amalgamations with other clubs and offers the following facilities to its members:
 - (a) Main premises known as "Eastern Suburbs Leagues Club" at 93-97 Spring Street, Bondi Junction:
 - (i) Cafes and restaurants: Chinese restaurant, Bistro style restaurant known as Bistro One, Legends Bar offering bar/pub style food and Grill'd burger restaurant;
 - (ii) Six bars including TAB and KENO facilities;
 - (iii) Gaming machine area with 320 gaming machines;
 - (iv) Two function rooms;
 - (v) Health club; and
 - (vi) Live entertainment.
 - (b) Waverley Bowling Club located at 163 Birrell Street, Waverley:
 - (i) Cafes and restaurants: Bistro with spacious al-fresco dining area
 - (ii) Gaming machine area;

- (iii) Bar including TAB;
 - (iv) Three bowling greens;
 - (v) Functions facilities;
 - (vi) Live entertainment.
- (c) Berkeley Sports Club premises located at 5 Wilkinson Street, Berkeley:
- (i) Cafes and restaurants: Terrace Bar & Grill, The Cafe,
 - (ii) Gaming machine area;
 - (iii) Bars and TAB facilities;
 - (iv) Two bowling greens and tennis courts;
 - (v) Three function rooms;
 - (vi) Live entertainment.
- (d) Kingswood Sports Club premises located at 2 Santley Crescent, Kingswood:
- (i) Cafes and restaurants: Modern indoor (Bistro 2747) and alfresco dining areas, Scoozi Espresso Bar, BBQ area and large lounge area;
 - (ii) Gaming machine area;
 - (iii) Sports Bar and TAB;
 - (iv) Pool table;
 - (v) Function room catering for up to 90 guests;
 - (vi) Two bowling greens;
 - (vii) Live entertainment.
- (e) Woy Woy Leagues located at 82-90 Blackwall Road, Woy Woy:
- (i) Cafes and restaurants: Café and Bistro (Bistro on Blackwall);
 - (ii) Gaming machine area;
 - (iii) Four bars and Sports Bar including TAB area;
 - (iv) Two function rooms;
 - (v) Live entertainment,
- (f) Various sub-clubs such as rugby league, bowls, golf, fishing, rostrum, soccer, a bridge club, women's and men's hockey clubs and photography club.
- 16 The Bondi Golf and Diggers Premises (including the clubhouse and surrounding land comprising lots 1 and 2 in deposited plan 916095 and lot 7056 in deposited plan 93856) is leased from the Crown. The current Crown lease expires 31 December 2018. The Crown lease and all other assets, including the club licence of Bondi Golf and Diggers, will be transferred to Easts Leagues on completion of the amalgamation.
- 17 The current financial position of Bondi Golf and Diggers is that as at 31 December 2016 (being the end of its last financial year and based on its most recent audited financial reports), it had total assets of \$1,291,447 and total liabilities of \$396,707. The net assets are therefore \$894,740.
- 18 Bondi Golf and Diggers has about 800 members.
- 19 The current financial position of Easts Leagues is that as at 31 October 2016 (being the end of its last financial year and based on its most recent audited financial reports), it had total assets of \$84,400,696 and total liabilities of \$19,313,414. The net assets are therefore \$65,087,282.
- 20 Easts Leagues has over 40,000 members.
- 21 Although the liabilities of the Club are not substantial, its small membership and revenues make it difficult for Bondi Golf and Diggers to raise sufficient funds for capital expenditure to maintain and improve its facilities. Bondi Golf and Diggers is operating in a very competitive market in an industry which is heavily regulated which requires greater human resources to promote competitiveness and regulatory compliance.
- 22 The amalgamation with Easts Leagues will provide members with access to a much wider range of facilities of a major and financially secure New South Wales registered club which operates in the same local government area. Easts Leagues has substantial management expertise and resources that it can provide for the benefit of members and Bondi Golf and Diggers' facilities.
- 23 Easts Leagues successful management has put it in a strong financial position and its amalgamation with Bondi Golf and Diggers will greatly enhance the long term prospects of the Bondi Golf and Diggers Premises and its facilities for members.
- 24 Easts Leagues has a long and established reputation in the local area as a supporter of community organisations and sporting clubs.
- 25 If the amalgamation proceeds to completion, Easts Leagues intends to seek a new long term Crown lease of the site and then improve the facilities available at the Bondi Golf and Diggers premises, including construction of two bowling greens. Bondi Golf and Diggers would then be the bowling venue of Easts Leagues in the Waverley Local Government Area following a separate clubhouse and seniors living development to be undertaken at the Waverley Bowling Club premises of Easts Leagues.
- 26 The Board believes that the Bondi Golf and Diggers Premises will be profitable once the expenditure on the facilities is undertaken by the Amalgamated Club.
- 27 The Board of Bondi Golf and Diggers therefore believes that an amalgamation with Easts Leagues is in the best interests of Bondi Golf and Diggers and its members.
- General notes regarding the Ordinary Resolution*
- 1 In accordance with the Registered Clubs Act, Life Members and financial Ordinary members (i.e. financial Playing Members, financial Diggers Members, financial Social Members, financial Country Members, financial Non Playing Members

and financial Junior Members) are eligible to attend the General Meeting and vote on the Ordinary Resolution.

- 2 To be passed the Ordinary Resolution requires votes from a simple majority of those members who, being eligible to do so, are present and vote on the Ordinary Resolution at the meeting.
- 3 Under the Registered Clubs Act and articles 7(a) and 64 of the Bondi Golf and Diggers Articles of Association:
 - (a) members who are employees of Bondi Golf and Diggers are not entitled to vote; and
 - (b) proxy voting is prohibited.
- 4 The Board of Bondi Golf and Diggers recommends the Ordinary Resolution to members.

By Order of the Board of Directors

Gordon Rice

President

Dated: 29 June 2017