

MINUTES OF THE 128TH ANNUAL GENERAL MEETING OF MEMBERS OF CITY TATTERSALLS CLUB

Date and Time:

Friday 31st May 2024 at 6pm

Location:

The Barracks, 5-7 Barrack St Sydney, 2000

ATTENDEES (65 members present) QUORUM (30)

#	First Name	Surname	Member #	#	First Name	Surname	Member #
1	Allen	Heathcote	10233	31	John Gware	Hitchen	14833
2	Andrew	Pennington	103117	32	Julianne	Campion	7265
3	Andrew L	Horsley	2856	33	Kimberly	Metra	13705
4	Anna	Beresford	4599	34	Kyal	Berg	14305
5	Anne Christine	Coleman	62730	35	Leandra	Iyaloo	14307
6	Annette	Niven	77521	36	Lesley	Taylor	51442
7	Anthony	Robinson	77575	37	Marianne	Alexander	51496
8	Carl	Dumbrell	9058	38	Marie	Wigmore	37860
9	Christopher	Foye	1993	39	Mark Ian	Hewitt	10075
10	Craig	Chung	13034	40	Martyn	Berry	37789
11	David	Conroy	7301	41	Michael	Nolan	6243
12	David	Mcilwaine	60280	42	Michael	James	20255
13	David	Walsh	74041	43	Michael	Sterndale-Smith	11004
14	Elizabeth	Daviglius	20430	44	Michael	Cossetto	67491
15	Garry	Mcilwaine	11325	45	Patrick J	Campion	12431
16	Geoffrey	Graham	103518	46	Paul	Mulcahy	14321
17	Geoffrey R	Coffill	11020	47	Paul	Armour	4445
18	George	Barakat	16395	48	Peter	Delaney	2989
19	Gordon	Phillips	6223	49	Peter	Georgeson	16350
20	Gregory	Buriak	15060	50	Peter	Joass	83638
21	Ivor	Rees	20063	51	Philip	Pick	9690
22	Jack	Regan	2554	52	Reginald	Tozer	18621
23	James	Mcdonnell	103660	53	Robert	Saville	61
24	James	Chen	14721	54	Robert	Kirby	882
25	Jeanette	Morgan	58124	55	Robert	Hunter	104131
26	Jeff	Schembri	5066	56	Roderick	Faulkner	94337
27	John	Ewing	1848	57	Ronald	Hack	104111
28	John	Hough	1281	58	Sal	Quah	76820
29	John	Drysdale	2289	59	Sandra	Hughes	54909
30	John	Mogan	2362	60	Serena	Kee	75320
				61	Stephen	Morgan	18947
				62	Terrence	Obrien	11297
				63	Thomas	Hall	51196
				64	Tony	Murawski	104336
				65	William	Chapman	6222

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APOLOGIES

John Foley (785), Judith Foley (21861), Brian Patterson (4356), Paul Cavallaro (12227)
Don Mould (17628) Ian McLennan (14491).

QUORUM

The quorum at all Annual General Meetings is thirty Voting Members.

With 65 members present, the Chairman confirmed a quorum and declared the meeting opened at 6:10pm

WELCOME

The Chairman welcomed all members present to the 128th Annual General Meeting and acknowledged the traditional owners of the land.

INTRODUCTIONS

The Chairman noted the presence of most Directors of the Club and explained the absence of Brian Patterson who was unwell and Paul Cavallaro who was away overseas. The Chairman also acknowledged the presence of the Club's Auditors.

APPROVAL OF MINUTES

The Chairman requested the minutes of the 127th Annual General Meeting held on Tuesday, 23rd May 2023, which have been accessible on the Club's website and copies were also available at the door for those members attending the meeting.

Moved by: Carl Dumbrell (9058)

Seconded by: George Barakat (16395)

Carried Unanimously

ELECTION RESULTS

The Chairman announced the results of the 2024 Election of Directors under the Triennial Rule and informed members that the results have been made available on the club's website. The following candidates were therefore elected unopposed:

Group 3 (3 Year Term)

1. Patrick Campion
2. Paul Cavallaro

Michale Nolan, Member 6243, asked if the departure of Kumar Kalyanakumar from the Board had left a vacancy on the Board. The Chairman confirmed that to be the case.

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CHAIRMAN'S ADDRESS

At last year's AGM I warned of the difficulties that our Club was facing since leaving Pitt Street. It was because of these difficulties and the many challenges being thrown up by our Club's development that members voted in favor of the Board being able to sell the Pitt Street property. I spoke about the need for the Board to have agility and flexibility to move quickly in response to changing circumstances.

The difficulties faced by our Club escalated in 2023 and have continued to escalate in 2024; The Club is in a world of pain!!

These difficulties have forced the Board to make the very tough decision to sell our Pitt St property. The transaction is presently being finalised but is not yet a "done deal", but is very close to it. So, our Club will not be returning to Pitt St!!

I think you all know that our Club's only real profit center for the last 40 plus years has been gaming. It has subsidised all of the other largely loss-making activities of our Club.

Even when at Pitt St, gaming, whilst still profitable, was in decline. There were numerous reasons for this including:

- a) Increasing uptake of online gaming.
- b) Intense competition for casinos and other CBD venues.
- c) Restrictive laws and regulations.
- d) Social and political 'anti-gaming' pressure.

Since leaving Pitt St, our Club's gaming has nose-dived and revenue has fallen away alarmingly.

Despite valiant efforts by management to improve the situation, it has remained in the doldrums.

There have been many factors involved in this including,

- a) The pandemic (which effectively meant two years of little or no revenue)
- b) The aftermath of the pandemic and the "work from home" trend which has seriously reduced numbers in the CBD (Fridays used to be our best day – it is now our worst)
- c) The 'cost of living' crisis and high interest rates.
- d) A general lack of member patronage at The Castlereagh
- e) More recently, 6 months of footpath works directly in front of The Castlereagh.

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There are many other factors no doubt.

On top of the gaming problem, unlike at Pitt St, our Club now has to pay exorbitant rent for The Castlereagh premises.

The upshot of all this has been that our Club has been making serious losses month on month and debt has built up to an alarming level.

In the last 12 months, drastic steps have been taken to reduce overheads, but despite those efforts, our Club remains burdened with unacceptable debt levels.

When debt is unacceptably high and Club trade continues to be worryingly low, the board is left with only 2 possibilities.

1. Borrow more funds to pay debt or
2. Sell assets.

Because of the Development Management Agreement between our Club and developer, there is only a very limited capacity for our Club to borrow. There is also the issue of being able to service significant further borrowings. So, borrowing more was not really an option. The only real option is to try and sell assets. Some gaming machine entitlements were sold, but currently there is no market for selling GME's, so the only other asset available is the Club's Pitt St property.

It goes without saying that it is far from ideal to be selling a property when it is subject to a development that has just started and that development is big and complicated, with years to go before completion and fraught with risk and uncertainty.

Clearly, we are not going to get the value for it that we would get if sold when the development is complete. However, our Club cannot wait for the development to be completed.... It needs funds NOW. And selling is no easy task!

Most potential buyers are not interested because of the complexity and level of risk. The few who showed interest were not prepared to pay much immediately and would only consider a deal where most of the purchase price is paid after the development is complete.

As stated, our Club needs funds NOW!! Payment in 4-5 years' time is no good to us.

The only buyer prepared to pay a decent sum now is the developer. Clearly, the developer already understands the complexities and the risks and, indeed, is in a position to control and manage many of those risks.

The developer of course is not looking to do us any favors, it is looking at the transaction only through a commercial lens, but if the deal can be done, it will allow our Club to pay its debts and give it a chance at survival.

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If the deal is not done, there will be no Club!!

Marcelo will speak further about the deal. He will also speak about the plans that have been and are being put in place to restructure our Club so that there is a plan moving forward.

This has been an extremely stressful 12 months. I acknowledge the commitment and perseverance of Marcelo and Milorad.

I want to thank the many people who have supported our Club over this period including some very patient creditors and some very good members who actually loaned their own funds to assist our Club.

I am very sorry about the many great staff members that we have had to let go because of our Club's circumstances and the need for restructure.

To the Board, who have been asked to perform way over and above the call of duty, I thank you.

Finally, on a personal note, the last 12 months have taken a heavy personal toll and for that reason, I will retire from the Board sometime this year, when the time is right. Some new blood would be good and I urge members who want to help our Club to consider joining the Board to help guide our Club into the future.

APPROVAL OF FINANCIAL REPORT & BALANCE SHEET & AUDIT REPORT

The Chairman noted that the next agenda item was for members to receive the Financial Report and Balance Sheet; the receipt of the Auditor's Report and for members to appoint the auditors for 2024.

Given that the property sale has not yet been finalised, The Board and the Auditors cannot approve or sign off the Financial Reports and Auditor's Report. Our Club can only be considered a going concern, if the sale proceeds.

Therefore, if the sale does proceed (and we expect that it will), then it is the Board's intention to convene a further General Meeting to deal with these agenda items at a later date.

Members did received a copy of the unaudited Profit and Loss Account and Balance Sheet for the period ending December 2023.

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RESOLUTIONS TO BE APPROVED BY MEMBERS

RESOLUTION 1: APPROVING OF LIFE MEMBERSHIPS

The Chairman put to the members to grant City Tattersalls Club Life Membership to 90 members who had maintained Gold Membership for 40 consecutive years. He then asked for a mover and a seconder.

Moved by Jim Chen (14721)

Seconded by Garry McIlwaine (11325)

Carried Unanimously

The Chairman thanked members for the approval and congratulated the new Life Members of the club.

RESOLUTION 2 – EXPENSES

The Chairman put to 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:

- reasonable food and refreshments, parking, and communication and information technology.
- 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).
- 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 by the Australian Taxation Office as reasonable for taxation purposes, air fares, and overnight accommodation and associated expenses).

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

Moved by Garry McIlwaine (11325)

Seconded by Michael Nolan (6243)

Carried Unanimously

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RESOLUTION 3 - FITNESS CENTRE MEMBERSHIPS

The Chairman put to members to approve complimentary gym membership for their services provided to the Fitness Centre:

- Matthew Kayrooz
- John Lawler
- Stephen Vile

Moved by Garry McIlwaine (11325) Seconded by Michael Sterndale-Smith (11004)

Carried Unanimously

The Chairman invited the CEO to discuss the next agenda items.

MANAGEMENT REPORT

The Chief Executive Officer presented his report to members in line with requirements of the CTC Rules. A copy of the CEO's presentation was given to all members present and is also included in these minutes for the benefit of all members.

KEY INFORMATION FOR MEMBERS

PROGRAMMED EXPENDITURE

In addition to the matters specified in clause 20.3 of the Club's Rules, the Board wishes to make members aware of proposed expenditure required over the next 12 months relating to improvements, renovations and rebuilding the premises of the Club during the 12 months following our AGM and further information, being information relating to improving, repairing, renovating, or rebuilding the Club Premises over the 12 months following the meeting is \$250K.

FORECAST FOR 2024 V/S 2023 ACTUAL.

	2024 Forecast	2023 Acutal		Var
Revenue	\$ 18,825,662	\$ 23,145,985	-\$	4,320,323
Expenes	\$ 18,726,010	\$ 22,103,795	-\$	3,377,785
Profit/(Loss) before Tax	\$ 99,652	\$ 1,042,190	-\$	942,538

PROFIT COMPARISON AT MARCH 2024 V/S BUDGET AND 2023 (3 MONTHS)

	2024 Actual	2024 Forecast	Var	2023 Acutal	Var
Profit/(Loss)	-\$ 1,474,050	-\$ 506,386	-\$ 967,664	\$ 166,381	-\$ 1,640,431

2024 YEAR TO DATE COMPARED TO BUDGET

Gaming Revenue	-\$	994,543
Food & Beverage Revenue	\$	84,171

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TOTAL ASSETS AS OF MARCH 2024

	Mar-24	Dec-23	Var
Total Assets	\$ 107,909,982	\$ 108,148,214	-\$ 238,232
Total Liabilities	\$ 36,771,832	\$ 35,536,016	\$ 1,235,816
Net Assets	\$ 71,138,150	\$ 72,612,198	-\$ 1,474,048

TOTAL LOANS AS AT MARCH 2024

	Mar-24	Dec-23	Var
Bank Overdraft (net of all accounts)	\$ 1,366,346	\$ 1,191,686	\$ 174,660
Leasing	\$ 1,485,031	\$ 1,651,285	-\$ 166,254
Commercial Bills (CBA)	\$ 1,162,500	\$ 1,162,500	\$ -
	\$ 4,013,877	\$ 4,005,471	\$ 8,406
ICD Loan (Non Interest Bearing)	\$ 24,000,000	\$ 24,000,000	\$ -
TOTAL	\$ 28,013,877	\$ 28,005,471	\$ 8,406

CPI INCREASE 2024

	2023	CPI Increase 4.1%	New
Individual Building Job	\$ 2,450,797	\$ 100,483	\$ 2,551,280
Innterest Bearing Liabilities	\$ 8,996,253	\$ 368,846	\$ 9,365,099
Airspace Development	\$ 76,000,000	\$ 3,116,000	\$ 79,116,000

PROPOSED CAPITAL WORKS EXPENDITURE

Under the City Tattersalls Club Act. The Club is allowed to conduct capital works to the extent of \$2,551,280 for "Each job" as indexed by CPI each year. Our budgeted Capital Works to total expenditure for 2024 which includes, works to:

1. Each "job" will be reviewed and managed dependent on cashflow and revenue targets being met.
2. Wherever 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 \$9.35M.

CPI Increases

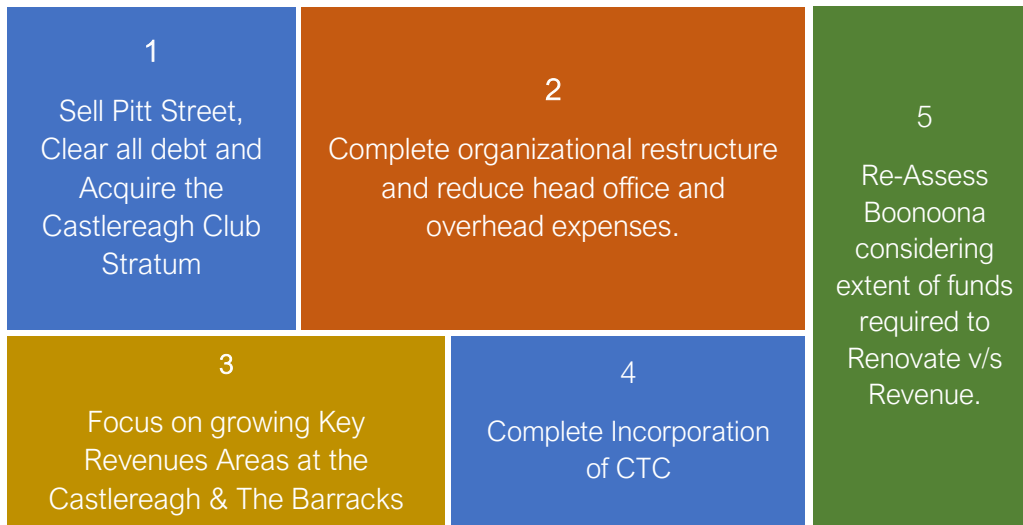
Year End	Year	Sydney	National	Build Limit/Borrowing Limit	IRL	AIRSPACE	Airspace New Limit
31-Dec-04	2004	2.60%	2.60%	\$ 1,500,000	\$ 5,500,000		
31-Dec-05	2005	2.50%	2.80%	\$ 1,539,000	\$ 5,643,000		
31-Dec-06	2006	3.20%	3.30%	\$ 1,577,475	\$ 5,784,075		
31-Dec-07	2007	2.40%	3.00%	\$ 1,627,954	\$ 5,969,165		
31-Dec-08	2008	3.80%	3.70%	\$ 1,667,025	\$ 6,112,425		
31-Dec-09	2009	2.20%	2.10%	\$ 1,730,372	\$ 6,344,698		
31-Dec-10	2010	2.40%	2.70%	\$ 1,768,440	\$ 6,484,281		
31-Dec-11	2011	3.20%	3.10%	\$ 1,810,883	\$ 6,639,904		
31-Dec-12	2012	2.50%	2.20%	\$ 1,868,831	\$ 6,852,381		
31-Dec-13	2013	2.60%	2.70%	\$ 1,915,552	\$ 7,023,690		
31-Dec-14	2014	1.70%	1.70%	\$ 1,965,356	\$ 7,206,306		
31-Dec-15	2015	2.00%	1.70%	\$ 1,998,767	\$ 7,328,813	\$ 37,000,000	\$ 10,500,000
31-Dec-16	2016	1.80%	1.50%	\$ 2,038,743	\$ 7,475,389	\$ 37,740,000	\$ 10,710,000
31-Dec-17	2017	2.20%	1.90%	\$ 2,075,440	\$ 7,609,946	\$ 38,419,320	\$ 10,902,780
31-Dec-18	2018	1.70%	1.80%	\$ 2,121,100	\$ 7,777,365	\$ 39,264,545	\$ 11,142,641
31-Dec-19	2019	1.60%	1.80%	\$ 2,157,158	\$ 7,909,580	\$ 39,932,042	\$ 11,332,066
31-Dec-20	2020	0.80%	0.90%	\$ 2,191,673	\$ 8,036,134	\$ 40,570,955	\$ 11,513,379
31-Dec-21	2021	3.10%	3.50%	\$ 2,209,206	\$ 8,100,423	\$ 40,895,523	\$ 11,605,486
31-Dec-22	2202	7.60%	7.80%	\$ 2,277,692	\$ 8,351,536	\$ 42,163,284	\$ 11,965,256
31-Dec-23	2203	4.10%	4.10%	\$ 2,450,796	\$ 8,986,253	\$ 45,367,693	\$ 12,874,616
31-Dec-24	2024			\$ 2,551,279	\$ 9,354,689	\$ 47,227,769	\$ 13,402,475

\$ 76,000,000 Limit reset at AGM on 23 May 2023

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PRIORITIES FOR THE YEAR AHEAD

The diagram below summarises (in order) the Club's priorities for 2024.



MATTERS FOR DISCUSSION SUBMITTED

At the request of Mr. Michael Nolan, member# 6243, who submitted the matters for discussion noted below in these minutes, the CEO read out the answers for the benefit of all members present.

INCORPORATION OF CTC AS A COMPANY

Contained in the 2022 CEO report to the CTC AGM was the following:
Priorities for the year ahead, Point 5 the incorporation of CTC as a company.

Questions

Does the Board still regard this as a priority?

- *If so, what is the current status of this activity and what is the projected timeframe for this to be achieved?*
- *If not, why not?*

Answer: Yes. It is the Board's intention for CTC to incorporate as soon as the sale of Pitt Street is completed, and all taxation implications are dealt with. This could be done in Q4 2024

AIRSPACE DEVELOPMENT

Having recognised it was operating outside the levels of members' approvals given to the board regarding the airspace development project on 8th December 2015 the board submitted a number of resolutions at the 2023 AGM to address the matter.

A brief summary of the applicable resolutions is shown below:

Resolution 5 was approved with minor amendments.

It gave consent for the Board to:

- s5.1 amend the DMA (including the facilities to be made available to members)
- s5.2 borrow and/or raise an amount of up to \$76 million (annually adjusted) to complete the airspace development at the Pitt Street premises.

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s5.3 expend funds of up to \$76 million (annually adjusted), and excluding costs already incurred to date, to construct, improve, repair, renovate, rebuild, and/or fit-out the new club premises.

s5.4 The consents were granted on the conditions that the club:

- retaining its interest in those parts of the Pitt Street premises which it is entitled to retain but excluding the 194 Pitt Street building, which the club aims to sell to reduce overall debt levels; and
- not buying other real property unless it obtains the approval of members at a general meeting of members held at a later date.

Resolution 6 was approved.

If the Board of the club decides to sell all or part of those sections of the Pitt Street premises which it is entitled to retain under its agreements with the Developer

It gave consent for the Board to:

- To use the proceeds of the sale and to borrow/raise up to an additional \$60 million (annually adjusted) to purchase real property, either in or outside the Sydney CBD, for the purpose of acquiring real property and establishing the new property as the CTC club premises and
- To expend up to a maximum of \$60 million (annually adjusted) to purchase the real property.

As recorded in the minutes, it was the understanding of the Board and of those members in attendance that the Board was requesting that members pass both resolutions, but it was the intention of the Board to only act on one of the resolutions.

Questions:

- 1. What, if any, additional expenditure has CTC incurred since the date of 2023 AGM.**

Answer: \$624K in relation to the Air Space Development.

- 2. Under which of the above resolutions has the Board expended funds for the airspace development since the 2023 AGM.**

Answer: Club Amount

- 3. Can the Board please provide the members with:**

- **A comprehensive update on the current strategy it is following in regard to the airspace development.**

Answer: The Club's current performance is unable to sustain any further expenditure relating to the Air Space Project. Between now and the time the Club is required to do "part" of the total Club's fitout, which is circa \$40M to \$45M including leasing costs and incentives, The Club will also be required to spend some \$20M over the next two years to take the Club component of project to a level ready for the fitout works to commence. Given the size of the debt and interest payments, the current economic climate and many other factors that put at risk the viability of a club in the CBD now and in four years from today, the Board has in the best interest of the Club, the members and the broader Club community resolved to sell Pitt Street and to use those funds to clear bank debt, creditors and use the balance to acquire the Castlereagh Club Stratum.

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This strategy will achieve the following outcomes:

- 1. The Club will no longer be subject to the Development Management Agreement.*
 - 2. The Club will no longer be responsible for the sale of the residential units and the risks associated with such sales.*
 - 3. As soon as a sale is achieved and issues relating to pre-CGT are extinguished, the Club will be able to Incorporate as a company and move forward to restructure, reset and rebuild a Club under a more modern and progressive governance instrument.*
 - 4. The Club will be able to deal with the immediate financial issues pressing the Club.*
 - 5. The Club will be able to focus on its core entertainment, health, and social activities and will allocate funds to improve The Castlereagh Club and Gym.*
- **The anticipated facilities and services that will be provided under the current strategy.***

Answer: There is no doubt, that a large percentage of our “Traditional” Life and Gold City Tatts members are now at an age where their visitation to the club is of less than one day per week, (except for the loyal City Tatts Gym comers.

The latest findings, from the most recent member survey revealed that 82% of respondents visited the club 1 time per week. (Just 1 time). Not wanting to be out late at night, rain, winter, not wanting to take public transport and many other factors play a part on this result.

Food & Beverage, F&B Discounts and Member’s only promotions were by far the main reason as to why our members frequent the Club and what they expect to be serviced with.

Gym, Sub Clubs and Boonoona were the least interested activities members recorded in their answers.

Under the proposed strategy, the club will be able to, without spending significant amounts of money, improve the current offerings, service and facilities found within the Castlereagh Club and The Barracks.

- **The anticipated location of the new CTC club facilities.***

Answer: 197 Castlereagh Street – The Castlereagh Club

- **An estimate of when members will be able to utilise the new facilities.***

Answer: Presently available

- **Detailed financial presentation on how it intends to finance the completion of the airspace development and then service the repayment of interest and principal on any outstanding financial loans or borrowings.***

Answer: The sale of Pitt Street will ensure the club does not need to incur the debt levels approved.

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- *The estimated date of the sale of the last residential unit within the airspace development.*

Answer: to be determined by developer, however, it is the Club's intention to sell Pitt Street and exit the Development Management Agreement.



Michael Nolan
Life Member No. 6243

AMALGAMATION

The CEO noted there were no requests received for amalgamation over the past 12 months, but informed members that CTC is actively looking for an amalgamation partner.

The CEO added that over the past 12 months he has met with various large NSW registered Clubs to discuss the opportunity of an amalgamation, but this had failed at this stage because of the complexities of the Air Space Project, the perceived risk identified by these Clubs and restrictions in the Development Management Agreement.

The CEO noted that an amalgamation partner was more likely to be found, when the Pitt Street property is sold, the Club walks away from the DMA and looks to acquire the 197 Castlereagh Stratum. The CEO will continue to look for an amalgamation partner.

FINANCIAL QUESTIONS

There were no financial questions received from members ahead of the meeting.

CFO'S REPORT – Copy included in these minutes for the benefit of all members.

I hereby present members with a summary of the annual accounts for City Tattersalls Club for the year ended 31 December 2023.

2023 had its challenges and impacted the Club and the entire hospitality industry. You would be well aware of the number of well-established hospitality venues that have closed their doors, and the current rate sees some twenty venues a week going out of business.

Our Club was not spared from lower than anticipated foot traffic and average spent in venues like ours in the CBD and decided to close the St James venue in October 2023.

In reviewing our past year's results, it is important to place these in context. The whole industry is feeling the impacts of the challenging economic climate, increases to our cost of living and the threats of unemployment going up in 2024-25, all play a part in people tightening their belts and becoming more mindful of their discretionary spend.

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What follows in this report is an overview of the 2023 numbers. The auditors have not yet signed off on the accounts as we await the valuation of the property at year ending December 2023 and a contract of sale for the Pitt Street site.

FINANCIAL RESULTS

Overall Result

The Club's operating revenue exceeded operating expenses, yielding earnings before financing costs, depreciation, and income tax of \$5.71M. Overall, the Club's result prior to impairments was a net profit result of \$1.04M. This result derived from the extinguishment of \$5.1M in loans provided by the amalgamated entity TCCL (amalgamation funds) and the closure of the St James clubhouse mid-October 2023.

Total net assets decreased by \$52.1M or 74% since the year ended 31 December 2022 to an ending value of \$18.51M at 31 December 2023. The decrease in total net assets comes from an impairment of the valuation of land and building of \$53.23M.

OPERATING REVENUE AND EXPENSES

Operating revenue for 2023 was \$23.15M, an increase of \$2.56M, or 12.4%, on 2022. Operating expenses for the year to 31 December 2023 totalled \$17.44M, a 12.6% or \$2.52M decrease from 2022.

FY2023 OPERATING REVENUE

The decrease in "trade" revenue from stems primarily from the poor performance of the St James venue compared to the Pitt Street Clubhouse.

Group revenue in 2023 was heavily impacted by the performance and subsequent closure of the St James Club house (13 October 2023). The increase on other revenues of \$6.59M compared 2022 derive from extinguishing of loans totalling \$5.15M.

Operating revenues from the services rendered decreased by \$4.4M, or 30.5%, to \$10.02 million when compared to 2022. Revenue from sale of goods for 2023 increased by approximately 9.2%, or \$370 thousand on 2022 to \$4.41M.

FY2023 OPERATING EXPENSES

The largest movement in operating expenses in 2023 relates to a decrease on gaming machine expenses and taxes of \$1.32M, or 40.2%, compared to 2022. These costs decreased due to the closure of St James venue and lower than anticipated gaming revenue.

Milorad Sekuljica

GENERAL BUSINESS

The chairman welcomed any questions or comments from Members.

Jeff Schembri M/Ship N 5066 are you looking at re-positioning the City Tatts Group by selling Pitt Street and purchasing the Castlereagh Club while reducing your expenses and continue the Club there as the strategy going forward? as now the way the club is going is just not sustainable.

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David McIlwaine: What is Pitt St going to generate if you sell it \$10million, \$20million?

The CEO informed members that as soon as the negotiations are completed, and he is able to share details with members, information will be shared with all members.

Mark Hewitt: Mr. Hewitt noted that the demographic over the past 10 years have changed. Trying to get the younger generations out, people are doing things differently now. What we have now is we are facing a reality and accepting that we have no choice but to sell Pitt St. I for one would love to go back to 198 Pitt St where I went to work in 1968.

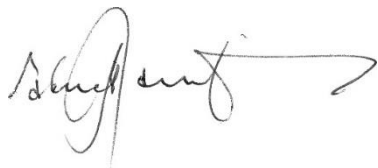
I have spent 2 years since we've moved out of the Club to protect the heritage that was in the building because I knew what it meant.

Fortunately, it still exists and hopefully one day everyone will get to see it at a new place, but unfortunately City Tattersalls Club even 40 years ago started making moves that was somewhat out of step, we have people now trying hard to get the Club back into step. We just have to be patient and let time evolved.

There being no further questions the Chairman declared the meeting closed and thanked members for their attendance and support.

The meeting concluded at 7:20pm.

End of minutes.



Patrick Champion
Chairman of the Board