

DISCLOSURE STATEMENT

CO-OPERATIVES NATIONAL LAW (NSW)
SECTION 359

THIS DISCLOSURE STATEMENT RELATES TO THE DISPOSAL OF ASSETS FOR THE PURPOSE OF AMALGAMATION BETWEEN **GEORGES RIVER 16FT SAILING CLUB CO-OPERATIVE LTD (GEORGES RIVER)** AND **ILLAWARRA CATHOLIC CLUB LIMITED (ICC)**

NAME OF CO-OPERATIVE:

GEORGES RIVER 16FT SAILING CLUB CO-OPERATIVE LTD

PROPOSED AMALGAMATION WITH:

ILLAWARRA CATHOLIC CLUB LIMITED

DATE OF APPROVAL:

17	/	03	/	2022
DD		MM		YY

THIS DISCLOSURE STATEMENT IS VALID FOR A PERIOD
OF **6 MONTHS** FROM DATE OF APPROVAL
FOR ISSUE WITHIN THE STATE OF NEW SOUTH WALES

DISCLOSURE STATEMENT

CONTENTS

- 1. INTRODUCTION**
- 2. THE PROPOSAL**
- 3. APPROVAL AND DISCLAIMER**
- 4. LEGISLATIVE REQUIREMENTS**
- 5. MEMBERS ELIGIBLE TO VOTE**
- 6. FINANCIAL POSITION OF CO-OPERATIVE**
- 7. STATEMENT OF DIRECTOR'S INTERESTS, COMPENSATION OR
CONSIDERATION TO OFFICERS OF GEORGES RIVER IN CONNECTION WITH
THE PROPOSAL**
- 8. LIST OF ANNEXURES**
- 9. RECOMMENDATION**

DISCLOSURE STATEMENT

1. INTRODUCTION

1.1. Name of Co-operative

Georges River 16ft Sailing Club Co-Operative Ltd (**Co-operative**)

1.2. Registered office

Cook Park DOLLS POINT NSW 2219 Australia

1.3. Explanation of this statement

- (a) As members are aware, the Co-operative is proposing to amalgamate with Illawarra Catholic Club Limited (**'ICC'**).
- (b) On 22 December 2021, the Co-operative and ICC executed a Memorandum of Understanding (**'MOU'**), in accordance with clause 7 of the *Registered Clubs Regulation* 2015 (**'Regulation'**), for the proposed amalgamation.
- (c) The amalgamation will be effected by the winding up of the Co-operative and the continuation of ICC.
- (d) The amalgamation will also result in the assets, debts and liabilities of the Co-operative being transferred to ICC. This includes the leases the Co-operative has with the Crown and Bayside Council with respect to its occupation of the club house and Sanoni Avenue respectively.
- (e) Once the amalgamation has been completed, the Co-operative will be wound up in accordance with the requirements of Co-operatives National Law (NSW) (**'CNL'**).
- (f) The *Registered Clubs Act* 1976 (**'RCA'**) requires the amalgamation to be approved in principle by ordinary resolution at separate extraordinary general meetings of each of the clubs proposing to amalgamate.
- (g) In addition, the CNL requires that
 - (i) members of the Co-operative approve the transfer of any assets of the Co-operative to ICC, and
 - (ii) the Co-operative issue a disclosure statement to assist members with their decision in voting for the proposed Special Resolution outlined below at 2.1
- (h) The Registrar of Co-operatives has granted the Co-operative an exemption from the requirement of section 359 of the CNL. This relates to the disposal of assets of the Co-operative, which usually requires a special postal ballot.
- (i) Rather than undertake a special postal ballot, the exemption which has been granted allows the Co-operative to put the proposal to dispose of assets to members in the Special Resolution outlined below. However, the exemption is subject to the Co-operative complying with certain conditions which are set out in the Disclosure Statement.

- (j) Once the amalgamation is complete, the Co-operative will proceed to a members voluntary winding up. Section 445 of the CNL requires a separate Special Postal Ballot and a further disclosure statement. However, the Co-operatives proposes to make application to the Registrar for an exemption from the requirement of section 445 of the CNL in relation to the requirement of a Special Postal Ballot and further disclosure statement. If such application is granted, the wind up of the Co-operative shall be completed by a resolution approved by three-quarters of the majority of the Board of the Co-operative.

2. THE PROPOSAL

2.1 The directors of the Co-operative put the following proposal to members as a Special Resolution:

"That, subject to the Independent Liquor and Gaming Authority of NSW giving provisional approval of the amalgamation of Georges River 16ft Sailing Club Co-Operative Ltd (Georges River) and Illawarra Catholic Club Limited ('ICC) under section 60 of the Liquor Act 2007, the members of Georges River hereby approve of the disposal of all of the assets of Georges River to ICC under section 359 of Co-operative National Law."

2.2 History of the Co-operative

- (a) The Co-operative was founded in 1925 with the purpose of being a community club serving recreational sailors and their families from the local area.
- (b) The Club was registered as a co-operative under New South Wales Law on 1 October 1952.
- (c) On 26 February 1965 a perpetual Crown lease was granted to the Club and Gazetted (Lease 1963/44 (Lease 76334)) with respect to the current club house. The Lease had a retrospective commencement date of 1 February 1965.
- (d) Since 1965 the Club has embarked on various minor extensions and alterations to the existing clubhouse.
- (e) Prominently located on the western shore of Botany Bay with outstanding views, the Co-operative has always been a community focused venue with a proud history and a strong emphasis on providing quality customer service and facilities to its membership and visiting patrons.
- (f) The sailing club is a sub club of the Co-operative and provides sailing amenities from beginner lessons to national competitions.
- (g) Over the years numerous classes of boats have been sailed at the Co-operative, and currently it has active class sailing for Lasers, Tasars and Optimist Dinghies.
- (h) The Co-operative also hosts a growing learn to sail program which caters for both juniors and adults, from the public, enabling participation, no matter what

the age group. The Co-operative is also the base for the “Tackers” sailing program which provides the ideal pathway to introduce youngsters to sailing.

- (i) The Co-operative has successfully managed a range of regattas of considerable size and complexity. The NSW Youth Championships 2009, 2010, 2013, 2014, 2015, 2016 ; The Australian & Oceanic Formula Windsurfing Championship 2014 ; The Australian Optimist Championship 2016 ; The World Hydro Foil Pro Tour Finals 2017 and most recently the East Coast Championships 2018.
- (j) Throughout this time, sailing has remained a primary object of the Club and, there have been many outstanding sailors in the Club over the years.
- (k) Throughout its history, the Club has survived through the dedication and hard work of volunteers.

2.3 Reasons for the proposed amalgamation

- (a) The Club's Board has considered the Club's future for a number of years. The Club's financial viability has been precarious for a number of years.
- (b) The Board considered its financial position and the Club operational requirements, including the need to modernise the club house and offerings.
- (c) With an aging club house building, any works on the club house requiring development consent will trigger an additional requirement to ensure that the club house building complies with the Building Code of Australia. That compliance will be an expensive exercise.
- (d) The Club has not been able to offer as much in terms of its licensed premises as other registered clubs in the area. The Club does not own its land and leases it from the Crown.
- (e) Having regard to this, the Board formed the view that it would be in the Club's long-term interests to amalgamate with another successful registered club and for that entity to provide the capital needed to improve the Club's operations and performance.
- (f) The Co-operative called for expressions of interest in the usual way which is through ClubsNSW Circular.
- (g) After careful consideration, the Board of ICC lodged an expression of interest to amalgamate with the Co-operative.
- (h) The Board has pursued this option to help ensure the survival of a registered club licensed premises at the Co-operative site by having the backing of a larger well-resourced registered club.
- (i) On 19 October 2021, in accordance with clause 4 of the Regulation, the Co-operative called for expressions of interest (**EOI**) by a ClubsNSW E-Circular (No. 21-230) (**Notice**) – a form of calling for expressions of interest approved by the Secretary of the Department of Justice.
- (j) In response to the Notice, having regard to the matters set out in section 2.3 of this Disclosure Statement, ICC submitted an EOI to amalgamate with the Co-operative and the Board of the Co-operative considered ICC as the most favorable amalgamation partner.

- (k) The Co-operative and ICC have entered into a MOU on 22 December 2021.
- (l) Further information relating to the proposal is outlined throughout this Disclosure Statement.

2.4 Effects of the proposal

Members -Admission to membership of ICC by members of the Co-operative who are not members of ICC:

- (a) All members of the Co-operative who apply to become members of ICC pursuant to the Amalgamation will be admitted to membership of ICC.
- (b) A member of the Co-operative will not be required to be proposed or seconded for membership of ICC.
- (c) After ICC and the Co-operative have passed the resolutions approving in principle the Amalgamation, ICC will forward to each member of the Co-operative who is then not currently a member of ICC a written invitation to become a member of ICC.
- (d) Any member of the Co-operative who accepts the invitation referred to and agrees in writing to be bound by the ICC Constitution will be elected by a resolution of the Board of ICC to membership of ICC with effect from the date of Completion subject to the following requirements of the RCA:
 - (i) The name of the member must be displayed on the noticeboard of ICC for not less than seven (7) days; and
 - (ii) A period of not less than fourteen (14) days elapsing after the receipt of the acceptance for membership by ICC.
- (e) The Co-operative's members who are admitted to membership of ICC will be identified as a separate class called 'Sailing Club Members' but may transfer to any other class of membership of ICC for which they are eligible to join but will also still retain and be recorded as Sailing Club members.
- (f) Any person who, at Completion of the Amalgamation, is a Life member of the Co-operative will continue to be recognised as a Life member of the Co-operative but only in respect of the Co-operative Premises.
- (g) Notwithstanding anything contained in the MOU and unless otherwise determined by the Board of the Amalgamated Club, any member of the Co-operative who, at Completion of the Amalgamation, is listed in ICC's "register of banned patrons" shall not be admitted to membership of the Amalgamated Club.

Facilities & Premises

- (h) At Completion, the Amalgamated Club will operate from the Co-operative premises and the ICC premises, on the terms set out in the MOU.
- (i) The Co-operative Premises will continue to be known and promoted as "Georges River 16ft Sailing Club".
- (j) ICC will create a Sailing Operations Committee for the Co-operative premises to exist for at least 10 years from the Completion of the Amalgamation. Initially, the Advisory Committee will comprise of the:

- (i) Approved Manager of the Sailing Club Premises;
 - (ii) Commodore; and
 - (iii) Vice Commodore,
- of the Sailing Club; and
- (iv) Rear Commodore; and
 - (v) Club Captain,

of the Georges River Sailing Club Committee who, as at the date of Completion of the Amalgamation, have given written consent to ICC to be members of the Sailing Operations Committee.

- (k) ICC intends to carry on the business of a licensed registered club under the RCA and the Liquor Act at the Co-operative Premises with all the facilities and amenities of a registered club and operate those premises as a successful and well supported local based sporting and community club.
- (l) Subject to obtaining all necessary permits, consents and authorities, ICC agrees to spend a minimum of ten million dollars (\$10,000,000) over ten (10) years, including approximately five million dollars (\$5,000,000) to undertake the following enhancements to the Sailing Club Premises amenities and facilities as follows:

Phase 1 – Fire Life Safety and Gaming Room Works - estimated cost of one million dollars (\$1,000,000) (immediate)

- (i) Bring Sailing Club Premises into compliance with the Building Code of Australia particularly with respect to fire life safety systems.
- (ii) Make application for twenty (20) additional gaming machine entitlements.
- (iii) Undertake works to relocate the gaming room to the rear of the Sailing Club Premises building and move snooker/pool further toward the beachside.
- (iv) Update of the existing forty three (43) gaming machines upon completion of the gaming room relocation works.
- (v) All Information Technology and Operating Systems will be updated including Gaming, POS, Payroll, Accounting, Human Resources, Events, Food and Beverage and all “Software” will be aligned with ICC existing systems.

Phase 2 – Level One Works – estimated cost of four million dollars (\$4,000,000) within the first eighteen (18) months (subject to relevant approvals)

- (vi) Seek to enhance the sense of arrival at the Sailing Club Premises by constructing a new reception area;
- (vii) Renew and upgrade kitchens;
- (viii) Create a feature balcony the length of the Sailing Club Premises

building facing the beach and Botany Bay;

- (ix) Create a large continuous bar/restaurant adjoining the feature balcony;
 - (x) Convert the current main bar area into a multi-use room through the installation and use of operable walls scalable to two (2) smaller rooms;
 - (xi) Enhance and enlarge the bar, including a dedicated TAB area.
- (m) ICC recognises the existence of the following additional sub-clubs of the Sailing Club:
- (i) Snooker Club
 - (ii) Golf Club; and
 - (iii) Darts Club.
- (n) The Board of the Amalgamated Club will allow those sub-clubs to continue to exist and continue to enjoy similar amenities, subject to patronage and usage, provided all members of those sub clubs become members of ICC.
- (o) The Amalgamated Club will continue to support the community that was supported by the Co-operative (as at the date of the MOU) and it will explore opportunities to expand community support.

Sailing Activities

- (p) The Sailing Operations Committee's sailing activities will continue to enjoy and occupy similar, or improved amenities and premises to the Co-operative.
- (q) The Amalgamated Club will with respect to the Co-operative, allocate an amount of up to \$150,000 per annum comprising a combination of:
- (i) \$50,000 cash; and
 - (ii) up to \$50,000 in corporate governance measures including:
 - (1) administrative support, which will be charged out on commercial terms.
 - (2) fees payable for licenses and insurances applicable to sailing related activities;
 - (3) fees payable to relevant associations in respect of the sailing activities;
 - (4) trophies and prizes for sailing competitions and events; and
 - (5) costs associated with the maintenance and repair of sailing related areas of the Co-operative Premises.
 - (iii) Subject to the annual provision of a capital expenditure plan by the Sailing Operations Committee, ICC will pay \$50,000 into a capital account for capital expenditure on sailing equipment and activities as agreed between the Sailing Club's Chairperson and ICC's CEO, such agreement not to be unreasonably withheld by either party.

Employees

- (r) ICC will give each current employee of the Co-operative (including the Co-operative's CEO), a written offer of employment:
 - (i) on terms no less favourable than those provided by an applicable industrial instrument; and
 - (ii) otherwise on those terms generally applicable to an employee in a similar role at ICC; or
 - (iii) if there are no employees of ICC employed in a similar role, on the terms generally applicable to such role as ICC identifies for that employee within the Amalgamated Club,
 - (iv) at least 10 Business Days prior to the anticipated date of Final Order (Completion of the Amalgamation).
- (s) The Co-operative will terminate the employment of all its employees in writing, or accept their written resignation, on Completion of the Amalgamation.
- (t) ICC will use best endeavours to maintain the Co-operative Premises as the primary place of work for all employees of the Co-operative who accept an offer of employment from ICC. However, the Co-operative acknowledges that this may change from time to time to accommodate the reasonable operational requirements of the business of the Amalgamated Club including requiring staff to work at the ICC Premises.
- (u) Any employee who accepts in writing an offer from ICC made under clause 6.1(a) will be employed by the Amalgamated Club on Completion of the Amalgamation on the terms of that offer, and that person's Employee Entitlements accrued with the Co-operative up to and including Completion of the Amalgamation will be recognised by the Amalgamated Club.
- (v) If any employee of the Co-operative does not accept an offer of employment from ICC in accordance with clause 6.5, then:
 - (v) that employee will be paid all accrued Employee Entitlements by the Co-operative as at Completion of the Amalgamation, which will be the end date of that employee's employment by the Co-operative;
 - (vi) the Co-operative must make all superannuation contributions it is obliged to make for that employee up to the date of Completion of the Amalgamation; and
 - (vii) the Co-operative will obtain written acknowledgment of receipt of such payments from that employee as at Completion of the Amalgamation.
- (w) Each employee of ICC will continue to be employed by the Amalgamated Club after Completion of the Amalgamation, subject to the terms and conditions of employment between each such employee and ICC.

Management

- (x) For the purposes of the RCA and the Liquor Act, the ICC Chief Executive Officer will be the Secretary and Chief Executive Officer of the Amalgamated Club and be responsible for the Co-operative Premises.

- (y) The Board of ICC will be the Board of the Amalgamated Club.
- (z) ICC will take over responsibility and control of the Co-operative with effect from the Completion of the Amalgamation.
- (aa) The current Chief Executive Officer/Secretary of the Co-operative will be the Approved Manager of the Co-operative Premises.
- (bb) The future direction of the Amalgamated Club will be subject to the overall strategic plan of the Amalgamated Club and its finances. However, ICC will operate the Amalgamated Club and the Co-operative Premises in accordance with the vision of the Directors of ICC.

2.5 Benefits of the proposal

- (a) The Amalgamation is intended to retain both the Co-operative's and ICC's premises, upgrade the current facilities for members and ultimately result in a financially secure Amalgamated Club.

2.6 Disadvantages of the proposal

- (a) Members may consider that becoming part of a larger club (ICC) and no longer an independent club may be a disadvantage of the proposal.
- (b) Apart from (a), the Board has not been able to identify any disadvantages to the proposal, and as outlined here, considers an amalgamation necessary at this time.
- (c) There are costs involved in relation to the proposed amalgamation, and are estimated as follows:
 - (i) \$278 payable to the Registry of Co-operatives ('Registry') for the application for an exemption from the provisions of s248 and s359 of the CNL relating to the disposal of assets.
 - (ii) \$278 payable to the Registry for the application for an application for exemption from the provisions of s445 of the CNL relating to the voluntary winding up.
 - (iii) \$278 payable to the Registry for the approval of this Disclosure Statement.
 - (iv) Legal fees estimated to be \$15,000.
 - (v) Costs of calling the general meeting of about \$6,000.

2.7 Taxation effect of the proposal

- (a) The Co-operative has requested Maher Group to provide advice on the tax effect of implications should the amalgamation proceed.
- (b) In a letter dated 13 January 2022, Maher Group set out the tax effect relating to the proposed amalgamation.

- (c) Maher Group has consented to the letter being included in this disclosure statement in the form and context in which it is included. Maher Group did not withdraw their consent before the disclosure statement was approved by, or registered with, the Registrar. The Statement meets the requirements of section 615 of the CNL

3. APPROVAL AND DISCLAIMER

On 17 March 2022, the Registrar approved this disclosure statement pursuant to Section 359 of the CNL. Such approval should not be interpreted as a comment on the merits of the proposal.

The Registrar accepts no responsibility for the contents of this disclosure statement.

4. LEGISLATIVE REQUIREMENTS

- (a) The CNL requires that members of the Co-operative vote in relation to transfer assets of the Co-operative. To assist members to reach a decision on the proposal, a disclosure statement containing relevant information must be forwarded to members.
- (b) The information in this disclosure statement is to assist members with their decision whether to vote for or against the proposal and has been approved by the delegate of the Registrar for this purpose.
- (c) The disclosure statement must be sent to all members at least 21 days prior to the date of the General Meeting along with the Notice of General Meeting setting out the special resolution to be voted on by members.
- (d) The special resolution will be passed if a three quarters (3/4) majority of members casting formal votes, vote in favour of the special resolution.
- (e) The special resolution approving the transfer of assets will have effect from the time it is registered by the Registrar.
- (f) It is a requirement of Regulation 7 of the Regulation, that registered clubs that are proposing to amalgamate must enter into a MOU with respect to the proposed amalgamation.
- (g) The MOU must outline certain information under the Regulation and its' purpose is to state each Club's position and provide members with information so they may properly consider the proposed amalgamation.
- (h) The Co-operative and ICC have entered into a MOU. A signed copy of the MOU is on the noticeboards of the Co-operative and ICC and a signed copy of the MOU is also on display on the Co-operative's website at www.georgesriversailingclub.com.au and ICC websites at www.clubcentralhurstville.com.au, and www.clubcentralmenai.com.au.
- (i) Members are encouraged to carefully read the terms of the MOU, and if they have any questions or are seeking clarification of any matter relating to the amalgamations or what is contained in the MOU, they should direct their enquiries to the Club's Chief Executive Officer who may be contacted at info@grsc.com.au.
- (j) The key features of the MOU and legislative requirements that need to be taken in the amalgamation process are summarised as follows:

- (i) The members of the Co-operative and ICC will be asked to approve the amalgamation at separate general meetings of the ordinary members of each club. These meetings will be called and held in the manner referred to below.
- (ii) The members of the Co-operative will also be asked to approve (by special resolution conducted in accordance with CNL) the Co-operative transferring its Assets to ICC, as outlined in the Special Resolution at 2.1.
- (iii) The members of ICC will also be asked to approve (by special resolution) amendments to the ICC's Constitution.
- (iv) After the approvals have been obtained, the Amalgamation Application will then be made.
- (v) After the Amalgamation Application is granted:
 - (1) The Co-operative's Assets, Debts and Liabilities will be transferred to ICC in the manner referred to in the MOU;
 - (2) for the purposes of section 17AC (2) of the RCA, a separate class of membership called "Sailing Club Members" will be inserted into ICC's Constitution in accordance with the procedure set out in the MOU; and
 - (3) ICC will make offers of employment to all employees of the Co-operative as provided for in the MOU.
- (vi) From the final order approving the amalgamation, the Co-operative's Premises will become additional licensed premises of the Amalgamated Club and will be available to all members of the Amalgamated Club.
- (vii) After Completion of the amalgamation, ICC will continue as the body corporate of the Amalgamated Club. An application will then be made by the Co-operative under section 445(3) of the CNL, for exemption from the requirement to conduct a Special Postal Ballot with respect to the winding up of the Sailing Club and the Co-operative will seek the Registrar's approval for the Board of the Co-operative to pass, by a three quarter majority, a resolution to approve the winding up of the Co-operative. The Co-operative will then be wound up in accordance with the provisions of the CNL.

5. MEMBERS ELIGIBLE TO VOTE

- (a) The term "*ordinary members*" used in section 17AEB(d) of the RCA is defined in the RCA to mean all members in all classes of membership except employees, junior members, Honorary members, Temporary members and Provisional members.
- (b) Accordingly, under the RCA all active members, being ordinary members who have paid their annual subscription fee, and life members (excluding employees and junior members of the Co-operative), are eligible to attend the general meeting and vote on the ordinary resolution to approve in principle of the proposed amalgamation. This is despite any provision in the Rules of the Co-operative that might otherwise restrict voting rights for certain classes of membership.

- (c) The special resolution contained in this Disclosure Statement is proposed under section 359 of the CNL. In accordance with section 239 of the CNL, a special resolution is one passed by a two-thirds majority at a general meeting. However, the condition of approval for exemption from the requirements to have a special postal ballot under section 359 of the CNL is that the special resolution be passed by a three-quarter majority of members voting.
- (d) Proxy voting is not permitted under the RCA.
- (e) The General Meeting will be held at the Co-operative's premises on a Sunday morning commencing at 10.00am.
- (f) Members eligible to vote in relation to the proposal are to be given the opportunity to cast their vote in advance of the Special General Meeting. Advanced voting is to be conducted at the Co-operative's premises between 12.00 noon to 2.00pm and 5:00pm and 7:00pm the Saturday, Sunday, Thursday and Friday immediately prior to the Special General Meeting.
- (g) Eligible members wishing to vote in advance of the General Meeting are to be directed to a returning officer to be appointed by the Co-operative who is to hand to them a voting card. The returning officer is to accept the vote of the member and record the member's name on a list of members who have voted.
- (h) Members who have recorded their vote prior to the General Meeting will be entitled to attend the General Meeting but will not be eligible to cast a second vote.
- (i) All members, whether active or inactive, at the time of distribution of the material regarding the special resolution, are entitled to receive the material. This is required by the CNL and ensures that all members of the Co-operative are made aware of the proposal.

6. FINANCIAL POSITION OF GEORGES RIVER

- (a) The financial statements for the period 2019-2021 have been audited in accordance with the Co-operative's Rules.
- (b) A copy of the financial statements referred to below will be provided to any member without charge on request to the Co-operative by attending the Co-operative's premises .

6.1 The following is a summary of key balance sheet items of the Co-operative for the years ended 30 June 2019 to 30 June 2021 and for the period 1 July 2021 to 31 January 2022

	2019 (Audited)	2020 (Audited)	2021 (Audited)	1 July 21- 30 31 January 2022
	\$	\$	\$	\$
ASSETS				
Current Assets	614,230	652,224	581,555	313,928

Non-Current Assets	2,793,231	3,039,521	3,084,423	3,001,351
TOTAL ASSETS	3,407,551	3,691,745	3,665,789	3,315,279
<u>LIABILITIES</u>				
Current Liabilities	726,663	988,602	1,213,319	881,871
Non-Current Liabilities	137,237	206,938	107,552	51,985
TOTAL LIABILITIES	863,900	1,195,540	1,320,871	933,856
<u>NET ASSETS</u>	2,543,651	2,496,205	2,344,918	2,381,423
<u>EQUITY</u>				
Retained Profits/(Loss)	2,543,651	2,496,205	2,344,918	2,381,423
TOTAL SHAREHOLDER EQUITY	2,543,651	2,496,205	2,344,918	2,381,423
MEMBER NUMBERS				
Life Members	18	18	17	17
Voting Members	3,386	2,793	2,342	2,438
Associate Members	2,616	2,337	1,809	1,809
Veteran Members	234	234	218	217
Youth Sporting Members	23	42	11	11
<u>TOTAL MEMBERS</u>	6,277	5,424	4,397	4,492
-				
Turnover	3,081,214	3,753,183	5,639,453	1,282,447
Profit/(Loss)	(26,600)	(47,446)	(151,287)	36,505

6.2 Significant changes to the financial position of the Co-operative since the financial statements for the financial year ending 30 June 2021.

There have been no material or significant changes to the Co-operative since 30 June 2021

7. STATEMENT OF DIRECTORS' INTERESTS, COMPENSATION OR CONSIDERATION TO OFFICERS IN CONNECTION WITH THE PROPOSAL

- (a) There is no compensation, consideration, incentive, commission or other benefit which has been or will be paid or given to:
 - (i) any officer or member of the Co-operative;
 - (ii) any relative of an officer of the Co-operative;
 - (iii) any entity (whether incorporated or not) of which an officer of the Co-operative, or relative of an officer of a Co-operative, is a shareholder, member, officer, partner or beneficiary, in relation to the proposal and the promotion of the proposal.
- (b) The directors are not aware of any information that is within their knowledge and that has not previously been disclosed to the members, where that information is material to the making of a decision by a member whether or not to agree to the proposal.
- (c) The interests of the directors of the Co-operative in the proposal, including any interests of the directors in any other organisation that may be concerned with the proposal are the same as any other member of the Club.
- (d) Directors Allan Brassil, George Africa and Mark Conway are also members of ICC.

8. LIST OF ANNEXURES

- Letter from Maher Group dated 13 January 2021; and
- interim accounts as at 31 January 2022.

9. RECOMMENDATION

The directors of the Co-operative unanimously recommend that members vote in favour of the proposed special resolution.

The Registrar has directed that all information contained in this disclosure statement be furnished to all members of the Co-operative.

FURTHER INVESTIGATION:

Each member is advised to make any investigations (including the obtaining of professional advice) which that person believes to be necessary to satisfy himself or herself about the contents of this documentation or the decision of whether or

not to vote in favour of the proposal.

DISCLAIMER OF LIABILITY:

This disclosure statement has been approved by the Registrar for the purpose of section 359 of CNL). This approval is not to be taken in any way as an indication that the disclosure statement sets out all the information that may be relevant to the proposal.

Approval does not relate in any way to the merits or otherwise of the Co-operative's proposal. No responsibility as to the contents of the disclosure statement and attachments and annexures that form part of this document is to be taken by the Registrar, NSW Fair Trading or by any of its servants or agents.

The responsibility for ensuring that the Act has been complied with in relation to the preparation of the disclosure statement lies with those issuing the statement. Persons making false or misleading statements in a disclosure statement may be liable for criminal penalties and expose themselves to civil liability to anyone who suffers loss as a consequence.

THIS STATEMENT IS SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE
DIRECTORS DATED 11~~th~~. 03. 2022

ALLAN BRASSIL Director

Signature

HELEN HENRI Director

Signature

[Signature] Director

Signature

[Signature] Director

Signature

George Aher Director

Signature

[Signature] Director

Signature

[Signature] Director

Signature

[Signature] Director

Signature

ANDREW McLACHLAN Director

Signature

CHRIS NICHOLSON* Director

Signature

[Signature] Director

Signature

[Signature] Director

Signature

* DIRECTOR CHRIS NICHOLSON CONSENTED TO
THE EXECUTION OF THIS DISCLOSURE STATEMENT
ON 11 MARCH 2022

13 Jan 2022

Mr Joshua Swift
Georges River 16ft Sailing Club Co-operative Limited
P O Box 111
Sans Souci NSW 2219

Dear Josh,

INCOME TAX AND GST IMPLICATIONS ON PROPOSED AMALGAMATION

We refer to your request to engage our firm to provide advice on the GST and Income Tax implications for the Georges River 16ft Sailing Club Co-operative Limited (the club), of transactions relating to the proposed amalgamation with Illawarra Catholic Club.

In accordance with this engagement, we advise as follows:

GST

Division 90 of *The Goods and Services Tax Act 1999*, prescribes the GST treatment of supplies and acquisitions made in the course of an amalgamation. On the assumption, the stated conditions are met, then GST will not apply where:

- A supply made by an amalgamating company to an amalgamated company in the course of amalgamation is not a taxable supply if, immediately after the amalgamation, the amalgamated company is registered or required to be registered for GST.
- An acquisition made by an amalgamated company from an amalgamating company in the course of amalgamation is not a creditable acquisition if, immediately after the amalgamation, the amalgamated company is *registered or required to be registered for GST.

INCOME TAX

Georges River 16ft Sailing Club Co-operative Limited is exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997 the club meets the following requirements.

- (The Club) Is a not for profit association
- (The Club) Is established for the purpose of encouragement of a game or sport
- (The Club) has a physical presence in Australia
- (The Club) complies with all the substantive requirements in its governing rules
- (The Club) applies its income and assets solely for the purpose for which it is established

Based on the above (The Club) should have no income tax liabilities, including any capital gains tax from transactions relating to the amalgamation provided the conditions for the exemption are satisfied at all times.

We understand this letter of advice is to be included in the "Disclosure Statement" of the proposed amalgamation with Illawarra Catholic Club Limited and note that it related the income tax and GST position of Georges River 16ft Sailing Club Co-operative Limited only specific to the amalgamation proposed.

Should you have any queries with regard to the above please do not hesitate to contact our office on (02) 8522 4500.

Best regards,



Ben Smollett

Director
Maher Group

02 8522 4500 | 0414 952 527
ben@mahergroup.com.au

Document Ref: 125041246

Maher Group ABN 28 152 271 791 | Maher Group Advice Pty Limited ABN 46 601 211 483
Corporate Authorised Representative of Alliance Wealth Pty Ltd ABN 93 161 647 007 | AFSL Number 449221

Profit & Loss Statement

July 2021 To January 2022

INCOME

Sales - Main Bar Beverage	\$431,384
Bottleshop	\$6,288
Membership - 1 Year	\$21,577
Promotions	\$34,246
Functions & Room Hire	\$2,887
Net Gaming Revenue	\$233,272
GST Government Rebate Scheme	\$17,180
Commissions	\$34,170
Interest Received	\$1,143
Rent Received	\$119,963
Other Income	\$322,029
Total INCOME	\$1,224,138

COST OF SALES

Cost of Sales - Bar	\$170,890
Cost of Sales - Bar & Grill	\$12,490
Total COST OF SALES	\$183,380

Gross Profit	\$1,040,758
---------------------	--------------------

EXPENSES

CMS Service Fee PM	\$5,216
Accounting Expenses	\$15,817
Administration	\$99
Advertising & Promo General	\$10,424
Audit Expenses	\$10,000
Bank Charges	\$4,389
Bar Requisites - Other	\$3,924
Bar Amenities	\$6,029
Beer Gas	\$933
Foxtel	\$7,429
Carpark Attendant	\$2,482
Cash Discrepancies	\$448
Consulting Fees	\$20,694
Computer Expense	\$3,037
General Expenses	\$1,163
Depreciation	\$97,965
Director, Man & Staff Expenses	\$4,368
Display Materials	\$2,778
Cleaning	\$27,127
Electricity	\$33,895
Rates - Council	\$11,290
Rates - Water	\$5,509
Rent	\$15,023
Pest Control	\$1,355
Gas	\$12,021
Telephones	\$2,871
Bar- Wastage	\$5,453
Security	\$9,100
Insurance - General	\$132,587
Interest	\$22,145
Entertainment & Promotions	\$89,781
Legal Expenses	\$14,417

This report includes Year-End Adjustments.

Profit & Loss Statement

July 2021 To January 2022

Permits & Licences	\$241
Postage Printing & Stationery	\$2,886
Gaming Tax	-\$4,518
Promotion Members	\$4,949
Repairs & Maintenance	\$30,731
Software & Support	\$18,800
Subscriptions	\$3,890
Travel Expenses	\$967
Waste Removal	\$9,561
Wages	\$355,657
Superannuation	\$35,027
Total EXPENSES	\$1,037,958
Operating Profit	\$2,800
OTHER INCOME	
Annual membership fees	\$7,264
Race Entry Fees	\$8,618
Boat Storage Fees	\$23,177
Sponsorships	\$19,250
Sailing Division Expenses	
General Expenses	\$9,871
Club Power Boats	\$4,190
Learn to sail costs	\$7,494
Regatta Cost	\$3,049
Total Sailing Division Expenses	\$24,604
Net Profit/(Loss)	\$36,505

This report includes Year-End Adjustments.

Balance Sheet

As of January 2022

ASSETS

Current Assets

Cash	\$196,605
Clearing Accounts	-\$1,358
Debtors	\$2,691
Stock	\$40,331
Prepayments	\$75,659

Non Current Assets

Property Plant and Equipment	\$2,997,118
Investments	\$4,233

Total Non Current Assets	\$3,001,351
--------------------------	-------------

Total ASSETS	\$3,315,279
--------------	-------------

LIABILITIES

Current Liabilities

Accruals	\$22,587
Trade Creditors	\$358,431
Rent in Advance	\$149,381
PAYG Tax Withheld	\$14,671
Superannuation Payable	-\$6,383
Loans Payable	\$250,000
GRSC Point Redemption	\$16,776
Finance Leases	\$45,466
Provisions	\$52,077
GST Rebate in Advance	-\$1,432
Memberships	\$25,292
GST Liabilities	\$6,990

Total Current Liabilities	\$933,856
---------------------------	-----------

Total LIABILITIES	\$933,856
-------------------	-----------

Net Assets	\$2,381,423
------------	-------------

EQUITY

Retained Earnings	\$2,344,918
Current Earnings	\$36,505

Total EQUITY	\$2,381,423
--------------	-------------

This report includes Year-End Adjustments.