MBABANE CLUB

MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE THE MBABANE CLUB HELD ON FRIDAY 12th April, 2013

Present

Mr. K. Dukes	President
Miss K. Taylor	Secretary
Mr. D. Takis	Vice President
Mrs. J. Martin	Lady Member
Mr. D. Flintstone	Gentleman Member
Mr. M. Forsyth-Thompson	Immediate Past President

Plus other members as per attached attendance register.

Apologies
Mr. R. Sithebe

The meeting was declared open at 6.15 pm by Mr Keith Dukes.

Notice of Meeting

Notice of the meeting, having been circulated to all members, and agenda was accepted in terms of the Constitution of the Club and the President, Mr Keith Dukes, declared so far 59 signatures on the attendance register and the meeting therefore properly convened and constituted.

The president of the main committee began by explaining the current situation re: Cinderella Pty Ltd and the Club. Due to the conflict that has arisen in the club many consortium members have resigned and so, at present there are not sufficient members to raise enough money to make the scheme work. The president himself has resigned from the consortium and so addresses the meeting purely in his capacity of President of the Club committee. The President apologised if his impatience for action had caused tension among club members and the committee but it is his belief that negativity directly results in lack of progress and so he believed it was in everyone's best interests if he withdrew from the consortium.

The President thanked Philip Nel for helping the Committee and the new Manageress to complete the latest accounts and getting them in to a position to make sound judgements on the state of the Club's finances. The President also thanked Paul Taylor for stepping in as the spokesperson of Cinderella Pty Ltd.

The President then proposed that the members present move to amend the proposal stipulated in the agenda for E2.5 million to that of a medium term loan or overdraft facility, not to exceed E500,000. This would be at the sole discretion of the trustees and on condition of a credible repayment plan being in place.

The proposal was seconded by Christina Forsyth-Thompson and the motion was unanimously carried by a show of hands.

1. Report back from Tender Adjudication Sub-committee

The Chairman of the Sub-committee began by explaining that the mandate of the committee was to adjudicate the proposal submitted by Cinderella Pty Ltd and enter in to negotiations on behalf of the Club, should this be required. He explained that the Club Trustees and President had withdrawn from the consortium so no conflict of interest remained.

The Sub Committees main concerns in the negotiations revolved around:-

- Potential conflicts of interest and their successful resolution between trustees and Main Club committee members who were also in the consortium.
- Security of Club Assets
- Staff
- Management structure
- Marketing Plan

The Chairman then explained that he shared the belief stated by sub-committee member, M. Dlamini that a club must be supported by its subscriptions and the attraction of new members was crucial to any future success of the Club. The outsourcing trend is a worldwide one and has been undertaken by other clubs, in South Africa and abroad. A Club run by committee alone is no longer feasible in this day and age.

The Chairman identified the following necessary actions:

- The membership must be proactive and not led by emotion.
- Communication is essential and must be improved.
- Previous conflicts must be laid to rest and the membership must move forward.
- Any members who feel strongly about the Club should get involved in the consortium in some way. It is not an elitist group.

The Chairman then showed a power point presentation prepared by sub-committee member, L. Foster which highlighted the condition of the club at present and the plans of the consortium. (A Copy is attached to this document.)
The Chairman then offered the floor to P. Taylor.

2. Address by Paul Taylor on behalf of Cinderella Investments Pty Ltd.

P. Taylor then addressed the members regarding how he became involved in the consortium, his reasons for joining and the broad aims and objectives of the consortium going forward. He explained that the Club had too many years of history among the very members seated to be allowed to close. He continued that he had been on the 'wait and see' bus, but once he had been apprised of the dire status of the Club he had been forced into action. He felt that time was of the essence in this process and a decision regarding the future of the club and its wish to outsource to the consortium was extremely time- sensitive due to the financial position the Club has found itself in. However, he added that money would not be the simple solution to the problem; the expertise offered by the consortium members would be crucial to the success of the plan. The Club cannot remain in limbo and the status quo will not manage to save the Club.
P. Taylor then thanked M. Forsyth-Thompson and the sub-committee members for their time and effort over the past weeks. He also thanked the current committee for their dedication towards preserving the future of the Club. He reminded the members present that the

committee gave their time and effort for free and some have chipped in from their own pockets so that the doors can remain open.

J. Henderson had several questions regarding the status of the snooker room and wanted it made clear that he did not believe it should be the 'straw that broke the camel's back.' M. Forsyth-Thompson responded by saying that these were exactly the issues that should be put to rest and should not affect the decision to accept the tender.

C. Gomes raised the issue of conflicts of interests between members of the consortium and club committee members and trustees. The secretary explained that it had been a premise of the sub-committee from the outset, that should Cinderella's tender be accepted, the affected members of the committee could not continue in their current positions.

The question was raised 'what if Cinderella fails?' P. Taylor answered that the Club would be in no worse a position than it was at present. Cinderella's lease would be a term of 3 years with a 3 year renewal so either party could terminate at these points.

Nick Mayhew expressed his support to the plans and the commitment made by Cinderella Pty Ltd. and pledged E5000 to the consortium.

Questions were raised as to who would be responsible for the repayment of any loan taken by the Club. P. Taylor and K. Dukes explained that Cinderella would be tied in to the loan and would pay a monthly rental to the club to fund the loan.
M. Forsyth-Thompson then asked for a show of hands to approve the sub-committees recommendation to enter into negotiation with Cinderella (Pty) Ltd in order for them to formally lease the premises and take over the Club's management. This was seconded by N.Mayhew.

In the vote P. McGinn and J. Henderson voted against the motion and the motion was carried as all the other members present voted in favour of the motion.

M. Dlamini made a closing observation that member participation was to be essential to the success of future plans.

J. Henderson asked the President what would happen to the snooker table going forward and the President responded that the issue was up to Cinderella - he reported that Cinderella had agreed that if their plans for the room did not work they would reinstate the table in the room at their cost – he also commented that if members continued to find fault with the democratic view - and their membership made them unhappy they could always resign.

S. Richards responded that we should not be encouraging resignations by any member, but attracting new members and retaining our existing ones. The President agreed and closed the meeting at 7.20pm

Signed................................. **Date....................................**

Presidents Chirp

You have asked for information so - I should like to update you on:-

a) The decision of the adjudicating committee regarding the Cinderella tender.
b) The result of last Tuesdays Q&A evening with the trustees.

- The decision of the adjudication committee was, to agree conditionally to the terms and conditions of Cinderella to manage the club.

- From "behind the scenes" and after the debate of Tuesdays Q&A evening, a significant number of investors in Cinderella had regarded the attitude of the club members and the issue of the snooker room as a vote of no confidence and resigned from the group.

- This did make the Cinderella plan unworkable so their offer has been withdrawn.

The present position of the Mbabane Club is this:-

- The bank will call in the E80k overdraft (which is maxed out) if the Mbabane Club does not have a plan to trade out of its position.
- SEC arrived before the Easter Holiday to turn off the Electricity. We managed to scrape E17k - together to pay the outstanding electricity account. The SEC will be back at the end of this month to turn off the electricity if we cannot pay again
- The Brewery have closed our account due to late and sporadic payment and we are now on cash – of which we have little – so don't be surprised if your drink is not at hand.
- Money will have to be found to pay the club staff at the end of this month.

Those of you who saw Tish Foster's presentation on Tuesday will know that the club is almost bankrupt.

With no money from Cinderella we must approach the bank to extend our overdraft. This will not be considered unless we have a solid plan of repayment. It was pointed out that Banks do not like to lend to Churches, Schools and Clubs as if the loan goes wrong it puts them at odds with the community.

It is against the law to operate a business knowing it is heading for bankruptcy, so the plan we come up with must be a good one and soon or the committee may be obliged to close the doors.

Some members have offered to donate cash. – The constitution does not allow us to raise a compulsory or special levy. - We have asked the Golf section to lend the Club money to trade through the month end. If the Club goes down the lease on the course will revert to the council! A plan has been floated via a meeting of the Committee Trustees and Adjudication committee (see attached minutes) and will be debated at an EGM on the 12th April. – Suggest you all attend with your ideas? –

MBABANE CLUB
EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the annual General Meeting of members of the Mbabane Club will be held at the club on Friday 12th April, 2013 at 6.00pm

AGENDA

1. **REPORT BACK FROM TENDER SUB-COMMITTEE**
   Chairman will report back to members regarding the developments and decisions of the tender adjudication

2. **AUTHORISATION OF TRUSTEES TO APPLY FOR LOAN**
   The members will be asked to authorize the trustees to approach the bank for a E2.5 million loan in order to refurbish and save the Club

9. **ANY OTHER BUSINESS**
   To consider any other business that may be necessary

On behalf on the Main Club Committee

Please take note of clause 26(3) of the club constitution that states – 'Notice of any resolution to be proposed at the EGM, other than ordinary business, must be lodged with the Honorary Secretary at least five (5) days before the date fixed for such meeting….'
In the absence of the Secretary please lodge this with the Acting Secretary or President.