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## SEAGULLS TWEED HEADS

### STATEMENT RELATING TO PROPOSED DE-AMALGAMATION PURSUANT TO SECTION 17AL OF THE REGISTERED CLUBS ACT 1976 AS GUIDED BY CLAUSES 11 AND 13(1) OF THE REGISTERED CLUBS REGULATION 2025

1. North Sydney Leagues' Club Limited (**Norths**) amalgamated with Seagulls Rugby League Football Club Limited (**Seagulls Club**) in 1998. Since then, the Seagulls Tweed Heads premises has experienced both periods of strong performance and periods of financial difficulty. While it has contributed to the Norths group in various ways, it has not consistently provided the level of return needed to support the overall operations of the venue.
2. On 1 September 2025, by way of ClubsNSW Circular (No: 25-164), Twin Towns Services Club Limited (**Twin Towns**) called for 'Expressions of Interest' from clubs interested in amalgamating, with a particular emphasis on clubs located within 100 kilometres of Tweed area (**EOI**).
3. As a part of its governance, Norths constantly assesses all available commercial opportunities. After careful consideration and a thorough review of the Norths' position as a group, the board decided to respond to the EOI with a view to divesting the Seagulls Tweed Heads premises.
4. The decision was not taken lightly. The board of Norths recognises the 27 year history and connection many members have with Seagulls Tweed Heads. However, the primary responsibility of the board is to act in the best interests of Norths as a whole, and this decision is considered a necessary measure to protect Norths as a group and secure its future.
5. On 15 October 2025 Norths formally responded to the 'EOI' to amalgamate the Seagulls Tweed Heads premises with Twin Towns.
6. Twin Towns indicated its willingness to begin proceedings to formalise such an amalgamation. If the process is successful, it will require a de-amalgamation of Seagulls Tweed Heads from Norths and an amalgamation with Twin Towns. Norths believes Twin Towns are an ideal partner to take Seagulls Tweed Heads forward.
7. The benefits of amalgamating Seagulls Tweed Heads with Twin Towns are extensive and include:
  - (i) Twin Towns currently operates three registered clubs in the Tweed Heads region. It solely focuses on its local community;
  - (ii) More than 62,643 Twin Towns members will immediately also call Seagulls Tweed Heads home;
  - (iii) All community grants will remain in the Tweed Heads region;
  - (iv) Twin Towns has the capacity to commit to continue funding sports and club promotions for much longer than Norths;
  - (v) Twin Towns is much more likely to make club improvements to Seagulls well before Norths can;

- (vi) Seagulls staff shall benefit from training, shift opportunities and career progression opportunities at other Twin Towns venues.
8. Norths believes an amalgamation with a partner like Twin Towns will herald in a new era for the Tweed Heads based members of Norths, and this is also a decision in their best interests, both long and short term.
9. As one step in the process of formalising an amalgamation of Seagulls Tweed Heads with Twin Towns, Norths is required to de-amalgamate Seagulls Tweed Heads to another company. The de-amalgamation is effected by transferring the Seagulls Tweed Heads Club Liquor Licence (No: LIQC300244954) (**Club Liquor Licence (No: LIQC300244954)**) to that other company. For this purpose, Seagulls (No 2) Club Ltd (**Seagulls (No 2)**) has been incorporated. The de-amalgamation is in place for a very short time (often no more than a few minutes) prior to the final amalgamation of Seagulls (No 2) and Twin Towns being given effect.
10. However, a de-amalgamation of Seagulls Tweed Heads from Norths is the first step in the process.
11. As part of the de-amalgamation process, Norths is required to publish a statement to members pursuant to section 17AL of the Registered Clubs Act 1976 as guided by clause 13(1) of the Registered Clubs Regulation 2025.
12. While Norths and Twin Towns are currently in negotiations on the terms of the MOU, this document currently represents the position between the parties and is issued as the statement required under section 17AL. If, after the MOU is finally negotiated, there are any material changes in the terms of this statement, members will be notified.
- (a) Details, including the title reference, of the premises that will be the premises of the de-amalgamated club,**
13. The Seagulls Club is situated at Gollan Drive, Tweed Heads West, NSW 2485 and occupies land comprising Lot 2 DP 881169 (**Premises**) which will be the premises of the de-amalgamated club.
- (b) Whether the premises will be transferred or leased to the de-amalgamated club and the amount of consideration or rent that will be paid for the transfer or lease.**
14. Upon de-amalgamation, the:
- (a) Club Liquor Licence (No: LIQC300244954) will be transferred by Norths to Seagulls (No 2) and Seagulls (No 2) will not pay any consideration; and
- (b) Premises will be leased to Seagulls (No 2) and Seagulls (No 2) will not pay any consideration.
15. Upon amalgamation, the:
- (a) Club Liquor Licence (No: LIQC300244954) will be transferred by Seagulls (No 2) to Twin Towns and Twin Towns will not pay any consideration;
- (b) Premises will be transferred by Norths to Twin Towns and Twin Towns will pay Norths an amount of \$30M as consideration; and
- (c) Lease between Norths and Seagulls (No 2) will terminate.
- (c) The number of gaming machine entitlements that will be transferred to the de-amalgamated club,**

16. It is intended that 303 gaming machine entitlements and 221 gaming machines will also be transferred to the premises of Seagulls (No 2) as part of the assets.
17. Norths will also transfer the real property of the Seagulls Club premises to Seagulls (No 2). The real property will then be transferred to by Seagulls (No 2) to Twin Towns in the event the amalgamation is approved.
- (d) Details and estimated values of other property, plant and equipment that will be transferred to the de-amalgamated club and the consideration that will be paid for the transfer,**
18. The de-amalgamation involves only the transfer of the Club Liquor Licence (No: LIQC300244954) to Seagulls (No 2). Seagulls (No 2) will lease the Premises from Norths.
19. Initially, the de-amalgamation of Norths and Seagulls (No. 2) is immediately followed by a subsequent amalgamation of Seagulls (No 2) and Twin Towns.
20. There are no other tangible assets being transferred from Norths to Seagulls (No 2) as part of the de-amalgamation apart from the Club Liquor Licence (No: LIQC300244954).
21. As part of the amalgamation between Seagulls (No 2) and Twin Towns, Norths will transfer real property (the Premises), specific plant and equipment, together with minor items including inventory.
22. At September 2025, the book value of the items to be transferred to Twin Towns totals \$24.2M. In addition to this, there is significant value in the Seagulls Club business with 303 poker machine entitlements which have not been valued in the above figure. The consideration for transferring the Seagulls Club business, including these assets to Twin Towns, is \$30.0M. An independent valuation of the Premises was undertaken in December 2023, at which time the value was assessed at \$21.2M (compared to the 2023 book value for those items of \$21.3M).
23. All property, plant and equipment agreed between Norths and Twin Towns will be transferred to Twin Towns upon amalgamation.
24. If the de-amalgamation and amalgamation are both approved, all of Norths' full time, part time and casual employees at the Seagulls Club premises will be made offers of employment with Twin Towns, and if they accept the offers, will be employed by Twin Towns. Their existing employee entitlements will be preserved.
- (f) Where a copy of the proposed constitution of the de-amalgamated club may be inspected,**
25. The Constitution of Seagulls (No 2) can be inspected at <https://northscollective.com.au/legal-governance/notices/>.
- (g) Details of the composition, including members' names, of the proposed governing body of the de-amalgamated club,**
26. The governing body of Seagulls (No 2) is as follows:
  - (i) Director – Mark Holman
  - (ii) Director – Diane MacLean
  - (iii) Director – Jane Magor

(iv) Secretary – Tony Mathew

Members should note that because the de-amalgamation and amalgamation are to be simultaneous if granted, the board which will ultimately govern the de-amalgamated/amalgamated club will be that of Twin Towns, and the current board members can be found <https://twintowns.com.au/corporate/>

**(h) The anticipated effect of de-amalgamation on the financial viability of the amalgamated club**

27. The anticipated effect of the de-amalgamation of the Seagulls Club and the amalgamation of Seagulls (No 2) and Twin Towns on the financial viability of Norths will be positive, based on the following key points:

- (a) Twin Towns will pay Norths \$30M, which will allow Norths the opportunity to pay off its bank debt of approximately \$30M. By paying down debt, interest costs on borrowings would reduce significantly.
- (b) As Norths has lost \$7M over the last two years, any concerns over financial viability as a going concern would be addressed.
- (c) By eliminating bank debt, Norths will be able to concentrate on long overdue capital improvements elsewhere.
- (d) Norths will not be required to invest further funds in the maintenance of the Seagulls Club Premises which is aged and would benefit from significant capital expenditure.

**(i) If a report has been prepared by an independent accountant on the future financial viability of the de-amalgamated club—where a copy of the report may be inspected.**

28. Members should note that because the de-amalgamation and amalgamation are to be simultaneous and the future financial viability of the de-amalgamated club will essentially be governed by the viability of Twin Towns.

**(j) An outline of the steps that will be taken to give effect to the proposed de-amalgamation, including the assignment of contracts of the amalgamated club to the de-amalgamated club.**

29. The steps to be taken to give effect to the de-amalgamation are as follows:

- (a) The incorporation of Seagulls (No 2) as the proposed de-amalgamated club;
- (b) A notice regarding the proposed de-amalgamation is available for inspection of members on the notice board of each Norths premises and website at <https://northscollective.com.au/legal-governance/notices/>;
- (c) Issuing this Statement to Members under clause 13 of the RCR;
- (d) Calling of general meetings of the following members to obtain approval for the proposed de- amalgamation:
  - (i) Norths; and
  - (ii) Seagulls Club members (ie the members of Norths who were also members of the

Seagulls Club as at 6 July 1998 (date of amalgamation)).

- (e) Applying to the Independent Liquor & Gaming Authority for the transfer of the Club Liquor Licence (LIQC300244954) (Seagulls Club) to Seagulls (No 2), with such transfer being conditional upon the subsequent amalgamation of Seagulls (No 2) with Twin Towns;
- (f) If the de-amalgamation is approved, transfer of the Club Liquor Licence (LIQC300244954) to Seagulls (No 2) will take place.
- (g) The de-amalgamation will be followed immediately by the amalgamation of Seagulls (No 2) and Twin Towns. Separate Notice relating to the amalgamation will be provided in accordance with the legislation.

### **General Notes to Members**

Members are reminded that the proposed de-amalgamation is conditional on the approval of the amalgamation of Seagulls (No 2) and Twin Towns. Therefore, separate general meetings of Seagulls (No 2) and Twin Towns will be held to consider the proposed amalgamation. If the proposed amalgamation is not approved by the members of Seagulls (No 2) or Twin Towns or the Independent Liquor & Gaming Authority, the proposed de-amalgamation and amalgamation will not take place.

In accordance with the requirements under clause 11 of the Registered Clubs Regulation 2025, members of Norths and Seagulls (No 2) are also notified that if the proposed de-amalgamation is approved in principle:

- (a) the licence transfer application will be made to transfer the Club Liquor Licence (No: LIQC300244954) currently held by Norths to Seagulls (No 2) as soon as possible after the proposed de-amalgamation approval is given; and
- (b) that submissions on the application may be made to the Independent Liquor & Gaming Authority (**Authority**) within:
  - (i) 30 days after that date, or
  - (ii) such longer period determined by the Authority,

by visiting <https://www.nsw.gov.au/business-and-economy/liquor-and-gaming/community-hub/application-noticeboard>.

**Please note** that this Statement will be sent to all members of Norths and prominently displayed on the notice boards of Norths' premises and on Norths' website at <https://northscollective.com.au/legal-governance/notices/> at least twenty one (21) days before the proposed general meetings.