



Hamilton Cosmopolitan Club

Massé

Merger Proposal



Background

Established in 1965, the Hamilton Cosmopolitan Club Incorporated is the only chartered club of its type on the east side of the Waikato River in Hamilton. For the first 40 years of its existence, the Club thrived with high membership numbers and an increasing number of activities for members to participate in. Like most other clubs in New Zealand, the last 25 years have been challenging for the club. With dwindling membership and revenue, the Club was forced to close its doors and cease trading in late January 2025. Current membership is around 600 members.

Massé Incorporated was established in 1992 and is a cue sports club. Massé has not been immune to the difficulties and challenges that clubs have faced over the last 20 years or so. However, a change in systems, people, and attitudes saw the gradual reversal of the Club's fortunes. Running Massé as a business, but still operating as a Club, along with the introduction of what is essentially an independent commercial Board has been the key to its success.

From being a Club with a single branch in Hamilton, Massé now has five branches, an additional commercial gaming operation, and an ecommerce site, all of which are overseen by staff at its Head Office. With nearly 19,000 members, Massé is likely the largest sports club in New Zealand.

Current Situation

Massé approached the Hamilton Cosmopolitan Club in late January to see if could help keep the Club going and reopen for trading. A meeting of the two club's committees/Boards saw an agreement to investigate the option that the two clubs

would merge. Hamilton Cosmopolitan Club members met at a Special General Meeting in February and voted for its committee to advance negotiations to merge with Massé. Since then, the following has occurred:

- Massé has provided funds to help the Hamilton Cosmopolitan Club manage its cash flow and remain open.
- Massé and the Hamilton Cosmopolitan Club executives agreed upon the terms of a Heads of Agreement.
- Massé held a Special General Meeting in March where its members voted to merge with the Hamilton Cosmopolitan Club.
- Hamilton Cosmopolitan Club held a Special General Meeting in March where its members voted to merge with the Massé.
- Massé and the Hamilton Cosmopolitan Club executives signed the Heads of Agreement.
- Massé has applied to sell alcohol at the Hamilton Cosmopolitan Club.
- Massé is applying to change the gambling licence at the Hamilton Cosmopolitan Club.
- The merger between the two clubs should take place once licences are issued in mid- October.

Post Merger

The merged entity will be known as Massé Incorporated due to Massé having 5 liquor licences and 6 gaming licences. With Hamilton Cosmopolitan Club having only one of each, it is easier and less costly to change the legal name of this club. However, it will continue to trade as the Hamilton Cosmopolitan Club (but will have dropped the 'Incorporated' from its name).

Existing members of Hamilton Cosmopolitan Club will become members of Massé, and Massé members will be able to access the new branch (Hamilton Cosmopolitan Club) as part of their membership. As the membership of existing HCC members expires, they will rejoin the new merged entity (maximum membership fee of Massé is currently \$20

as opposed to \$40 at the Hamilton Cosmopolitan Club). The membership system of Massé will be gradually introduced during the first year.

Governance of the Club will fall under the existing Board of Massé with the addition of the current Hamilton Cosmopolitan President to the Massé Board. A Branch Committee of the Hamilton Cosmopolitan Club will be established to oversee the branch and make recommendations to the Board. This committee will consist of three current Hamilton Cosmopolitan Club members, and two representatives of the Massé Board.

The day-to-day operations and management of the Hamilton Cosmopolitan Club will be overseen and supported by the Head Office staff of Massé. Management and compliance systems used by Massé will also be introduced into the Club. This includes a specialised point-of-sale system that was developed specifically for clubs in the United Kingdom and has been used by Massé for several years.

A building maintenance plan has been drafted and costed. The plan will be implemented following the merger. At this stage the priorities are:

- Cleaning the exterior of the building.
- Replacing the carpet. This may take place in stages with the priorities being the entrance and bar areas, followed by the pool table areas. The mezzanine and snooker areas would then be next.
- Painting the exterior of the front of the building.
- Installing new lighted signage at the front of the building.
- Upgrading the kitchen area.

An equipment maintenance and upgrade plan will be drafted that will deal with items such as regular recovering of billiard tables, etc. Pricing for upgrading facilities such as the outdoor bowling green will also be obtained. At this stage it is obvious that the pool tables need to be recovered urgently.

A marketing plan will be drafted and implemented with the aim of attracting new members. A focus will be put on targeting the surrounding local population, attracting functions, enhancing existing Club offerings, and the array of recreational and entertainment facilities the Club has to offer. This plan will be an ongoing project that aims to make the Club a thriving community hub. It has the facilities, but these just need to be managed, marketed, and developed to realise their full potential. This will not be an overnight fix, but a long-term process where time is taken to ensure the branch is sustainable and has a secure future.

Key Benefits of the Merger to Hamilton Cosmopolitan Club

The obvious benefit is that the merger secures the long-term future of the Hamilton Cosmopolitan Club. Most similar mergers see one of the two clubs close their premises, and those members of the closed club merge into the other. In the process they lose their identity and their history. Along with losing their premises, adjuncts will typically also lose their facilities, and equipment etc.

However, for the Hamilton Cosmopolitan Club and its members, there will be no material changes to the Club that would impact on members negatively.

While it will be business as usual in terms of the activities and offerings at the Club, the most important outcome of the merger is that the Hamilton Cosmopolitan Club will keep its identity, history, and the legacy of hard work that has been put into the Club by members over the last six decades.

Key Benefits of the Merger to Massé

The Hamilton branch of Massé currently has over 8,500 members and can often be full to capacity, meaning members either wait for a table or leave. With the merger they will now have a far larger branch they can visit. Massé members will also have access to a wider range of entertainment and recreational activities within the Club, along with a place they can go for a meal or drink. In terms of cue sports, Massé members will have access to better snooker facilities within the new branch, and they will now have access to English pool tables.

Additionally, the new branch will provide an additional, more spacious venue for regional, national, and international tournaments. Having hosted World Championship events in 2024, Massé is well aware of the savings and benefits that come with not having to hire a commercial venue.

Additional Required InformationHamilton Cosmopolitan Club Incorporated

New Zealand Business Number: 9429042717331

Societies Registration Number: 21385

Massé Incorporated

New Zealand Business Number: 9429042889601

Societies Registration Number: 500295

Registered Office of Merged Society

C/- Baker Tilly Staples Rodway Waikato LP, Level 3, Building E, Union Square, 192 Anglesea Street, Hamilton Central, Hamilton, 3204, New Zealand

Balance Date of Merged Society

March 31

Names of Officers of Merged Society

Alex McCool (Chairperson)

Craig Barrett (Treasurer)

Bernard Endres (Secretary)

Wayne Carey

Odette Cottle

John Davidson

Rebecca McIntosh

Confirmation of Membership Numbers

I Bernard Francis Endres confirm that I consider the number of persons who would be members of Masse Incorporated, following completion of the Merger, is 10 or more as required by the Act.

Confirmation of Constitution Compliance

I Bernard Francis Endres confirm that I consider the proposed constitution of Masse complies with the Act.