



## **NOTICE TO MEMBERS – DECEMBER 2023**

Dear Members,

I am writing to bring you up to date with the latest developments at the hospital since the Annual General Meeting.

### **Election of Officers**

The Board met the day after the AGM primarily to welcome the two new members (Mike Thorpe and Samantha James) and to elect office holders for the next 12 months. Chris Overland was elected as Chair, with Pip Forrester AM as his Deputy. Mr Clive Allert continues as Chair of the Finance Committee.

### **Volunteers' Sheds**

Work on the first of two new sheds to be erected on the hospital site has been substantially completed. The main outstanding issue is the installation of plumbing to the toilets and a septic system. This is expected to be done either late this month or early in the new year. Once the first of the two sheds is completed work can commence on the second, which will be located where used furniture and related goods are stored and displayed.

It has been proposed to the Volunteers Committee, that the existing older shed could be refurbished to include the installation of new lighting, and replacement of the sky lights with new roofing so as to provide a much more comfortable environment for the volunteers and their customers.

### **Financial Situation**

Even though the hospital has closed the Association continues to incur significant costs associated with building maintenance and the ongoing legal action in relation to the proposed merger with and transfer of assets to the James Brown Memorial Trust (Kalyra).

Also, as the Association is no longer a registered charity or hospital it has incurred charges for land tax and rates that it previously did not have to pay. As a consequence of these and other expenses such as building and public liability insurance, the Association has incurred a loss of \$174,603 over the first four months of the financial year.

This serves to underline how important it is that the assets of the Association and responsibility for the site are transferred to Kalyra, which has the revenue stream, management expertise and capital resources to look after it over the long term.

### **Disposal of Residual Equipment, Furniture and Fittings**

The hospital has accumulated a large stock of equipment, furniture and fittings that is no longer required. It was decided that the best way to dispose of most of these items was through an open auction process. Given the scale of this task, professional auctioneers were retained to catalogue and assess the items for sale and conduct the auction as an on-line event. The auction was held in early December and the great bulk of the items for sale were purchased. At the time of writing the proceeds of the auction are still being calculated.

## **Merger and Transfer of Assets**

Members will understand that the proposed merger and transfer of assets will be the subject of a comprehensive and legally binding agreement between the Association and Kalyra. This means that both parties need to undertake due diligence inquiries to ensure that all of the known assets, liabilities and conditions of transfer involved are identified, understood, and documented. This is proving to be a time consuming and complex process, but significant progress has been made on the development of a draft agreement for consideration by both parties.

The finalisation of the agreement is expected to occur in the next few months but, in part at least, depends upon the outcomes of the current legal action.

## **Legal Action**

There have been several Directions Hearings in relation to the complaint lodged by a member seeking to prevent the merger and transfer of assets to Kalyra. At each hearing the complainant was asked to finalise and submit to the Court his amended complaint so that a trial date could be set. At the most recent hearing held on 7 December the Court directed the complainant to produce an amended complaint by no later than 22 December. The Court directed that the Association's costs for the most recent Directions Hearing must be met by the complainant.

## **Summary**

2023 has been a difficult and stressful year for the Board and many other members. The painful decision to close the hospital has been accompanied by a huge surge of community interest in the future of the hospital site and considerable controversy over the planned merger with and transfer of assets to Kalyra. There have been two Special General Meetings and an Annual General Meeting at which this topic has been the very strong focus of discussion, as well as two ballots of members. No-one has enjoyed this process, but it has been necessary to ensure the maximum degree of community participation in determining the future use of the site.

On behalf of the Board, I thank members for their willingness to take part in the decision making process around the future use of the site and wish everyone a happy and enjoyable Christmas and New Year.

Yours sincerely,



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**Chris Overland**  
**Chair**

14th December 2023