

Wangi RSL

the club with a view...

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WANGI WANGI RSL SUB BRANCH CLUB LTD

Treasurers Report 2017

“2015 was the year of stabilisation

2016 was the year of the sustainable cost base and initial growth strategy

2017 will be the year of Infrastructure

Such were my words last year at this time”

Unfortunately, due to inconsistencies in our management team, along with issues with our caterer we ended up with a board that had concerns with investing borrowed money on projects that did not have the backing of competent resources to make them successful.

In essence, we needed a financial result that underpinned the gains achieved in 2016 and further build the Club’s financial position after a substantial investment in our gaming area. A budget was put in place for our management team to work towards a prescribed outcome. The board needed to pursue the projects and objectives identified in our strategic plan. The management team had a total indifference to the budget guidelines set by the board and pursued questionable strategies, proving to be financially detrimental, and persisted with these strategies by continuing to ignore monthly directions from the board.

By way of this report, you have probably deduced that I was a frustrated non-supporter of the management strategies, to the point where Maureen and I were not going to renew our memberships and walk away from the club, like so many others before us.

The financial result of \$ 14,833 (prior to write back of Fireworks funds) operating profit gave us a situation where our financial commitments to Aristocrat far outweighed the cash generated and did not provide the financial returns the Club anticipated with the investment in new poker machines.

So where do we go from here?

In 2018 we have to generate a cash profit in excess of \$90,000 to pay our commitments to Aristocrat (who declined a request for restructure of the debt). As such, we have to manage the club with very strict cost controls, but at the same time, invest in the projects that will drive our primary income stream of food and beverage. With that in mind, we have proceeded with in-house catering, and our new chef, Sam Eveleigh, has given us the confidence of moving forward on our Functions strategy.

We are repairing/replacing our outdoor furniture. We are focussing on improved cost effective entertainment. We have completed the majority of the children’s playground. We have updated our Point of Sale system to cater for our revitalised restaurant, with total integrated capability with bar operations to provide beverage at the dining table and/or proposed function area.

So, what do we need?

We need you, our members, to support your club by using its facilities, not only on a “drop in for a drink basis”, but supporting the activities being organised. Every dollar generated this year underpins your Club’s future. Given that there have been 3 club closures in the Lake Macquarie area since Christmas, I don’t have to tell you we operate in a very marginal industry, one in which there is a need for a “smart” club that knows and understands its member’s needs, but at the same time needs to understand the “cost” in meeting those needs.

I wish to thank the other “non-supporter” directors, who not only had the courage to bring the Club’s plight to a head last year but have been untiring in their efforts to keep the Club going whilst we transitioned the management of the club over the Xmas/New Year period. I do of course, extend those thanks to the wives and partners of our Directors, and Club supporters who also have given of their time.

I need to thank our wonderful staff, who, given the opportunity to openly express themselves and run “their” business, have emerged from a completely demoralising and toxic atmosphere, to become a dedicated and competent team. Sandy Keays and Dylan Smider are transitioning to very competent bar supervisors. Marnie White who joined us with Sam in the Restaurant in January and has taken full ownership of front of house Restaurant operations. The incredibly loyal and talented Karen Maybury, who, more than anyone else, is the essence of how the Club is still alive.

Last and certainly not least, is my amazing wife Maureen, who supported me in the darkest hours of last year and has been indefatigable in helping in the Club’s restructure.

Review of trading results for 2017

Total Revenue	\$1,724,505 a growth of 2.46%
Gross Profit	\$1,310,458 a growth of 2.3%
Total Operating Expenses	\$1,306,560 an increase of 10.9%
Net cash from operations	\$24,771 a decrease of 88.75%
Depreciation	\$108,821 a growth of 19%
	(Due mainly to new poker machines being added to asset register and write off of old assets that were still on the assets register. The asset register now aligns with MYOB General ledger)
Net Profit	\$-51,067 a decrease of 97.8%

Note: A revaluation was performed on the Club Limited's properties (116,117,118) to market value. The new valuations have been noted against the Southlakes loan, with the Board deciding not to bring to account at this point in time.

Ross Ahrens

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