

WEST WALLSEND WORKERS CLUB LIMITED

ABN 84 001 052 651

PRESIDENTS REPORT

WEST WALLSEND WORKERS CLUB 2010 - 2011

Dear Fellow Members

It is with great pleasure I am able to present my Presidents Report to the members at the Annual General Meeting of our Club.

Over the past year since our last meeting, the Club has continued to prosper with ever increasing patronage and support from you the members. It continues to attract new members at a very healthy rate as new families move into the area and take up membership.

The increase in patronage has, in no small way, been assisted by the excellence of the cuisine and innovations being provided by Kelly's Brasserie 53. Kelly's continues to attract diners for both lunch and dinner in ever increasing numbers. The most recent addition has been Sunday Breakfast. It has surpassed all expectations, assisted by the Brekkie Bucks promotion which has been most popular.

Membership Draws on Friday and Sunday evenings continue to be most popular and are attracting excellent attendances and ever increasing trading results. Raffles on Friday night, Sunday lunch, Sunday night and the Wednesday night free raffle also continue to be well attended.

The Board of Directors and our CEO David Jackson are continually looking at ways of improving and providing new facilities for the benefit of members. We would be very willing to receive any constructive suggestions in writing from interested members for discussion at future Board meetings.

Although our Club is going quite well at this time, we must all be aware that there are members of the Federal Government who are trying to push for legislation that will have a negative effect on the freedom of members to determine their own limits of expenditure on gaming machines.

If the proposed restrictions, which will amount to a licence to play, come into effect all clubs will be faced with prohibitive compliance costs. These costs will make large numbers of clubs unviable and will force closures with hundreds of job losses within the club industry.

I urge all concerned members to attend rallies against these measures which are being held in major regional centres by Clubs NSW. The aim of the rallies is to convince politicians of the folly of supporting these draconian measures. They have proven not to work or reduce problem gambling in other countries, but transfer gamblers to use other forms such as online gambling over which there are no controls.

In conclusion I would like to thank my fellow Board Members for their support and all members of staff for their loyalty and efforts on a daily basis. It would be remiss of me if I did not mention the excellent way in which our new office secretary Margaret has filled the position vacated by Emily. She has become one of the team and has fitted perfectly into the role in a very short space of time. I also wish to thank our CEO David Jackson for his tireless work in making the Club the viable business it is today, and look forward to the opportunity of working with him in the future.

Robert S. Roulston J.P
President

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CHIEF EXECUTIVE'S REPORT
WEST WALLSEND WORKERS CLUB 2010 - 2011

Welcome to the Chief Executive Office report for the financial year ending 2011.

Each year presents new challenges whether they are political, financial or local. This year has been no different, with economic uncertainty and a federal minority government which must appease the whims of independent MP's to continue to govern. Thankfully, the government is yet to move on its support agreement with Andrew Wilkie in relation to pre-commitment. This would see anyone wishing to play a poker machine requiring a licence to do so. This would be devastating for our income, effectively ending the impromptu social flutter without tackling the serious problem gambler who will just apply for a card with no limit.

On perusal of the financial report you will notice the Club had an operating profit before non-cash items of \$217660, an increase of \$4151 over last year. After providing for non-operating expenses of \$251610 the club showed a loss of \$33950. These non-operating expenses are predominately made up of depreciation \$185360, staff leave accruals \$48472 and the "writing off" of old assets \$14235.

As usual, you our valued members are always the winners. I am not aware of any venues that return so much to its membership; over \$.25 million in raffle prizes, membership draws and promotions, \$30400 in subsidised meals, \$87000 in entertainment and with a schooner price of \$3.90 we are amongst the cheapest in the Hunter. Poker machine payouts this year topped a staggering \$2.06 million.

Expenses were carefully monitored to achieve only a \$27000 increase overall. Major expenses, apart from member related items and wages, include electricity/gas \$57052 (up by \$7000), interest on our loan \$58024 (up by \$6000), repairs \$60930 (up by \$4000) and security \$73415 (down by \$4000). Wages were again kept under control with a decrease in wages to sales in the bar from 33.17% in 2010 to 31.2% this year.

A special thanks to all our wonderful members for their continued patronage and support. To the board of directors who give their time to ensure the smooth running of the Club and in particular to our President Bob Roulston who is always available to assist. To our wonderful staff, I thank you for your efforts throughout the year. Finally thanks to my family for their tolerance, support and understanding.

David Jackson
Chief Executive Officer