

WEST WALLSEND WORKERS CLUB LIMITED

ABN 84 001 052 651

CHIEF EXECUTIVE'S REPORT

WEST WALLSEND WORKERS CLUB 2017 - 2018

Welcome to the CEO's report for the financial year ending 30 June 2018.

This year has been a year of mixed fortunes. We have seen some very positive increases and unfortunately, and unavoidably, we experienced a month with the worst poker machine net retention that I've seen 25 years.

Some tough decisions were made with regards to the Club's expenditure. These were all very necessary to ensure ongoing viability. The competition for what little disposable income households currently have is becoming increasingly difficult. We are not immune to the pressures felt by every other member of our community. Electricity, gas and insurances all seem to be increasing exponentially.

A financial snapshot shows total income rose by \$133424 with each department showing good growth, in particular bar sales which were up 9.4%. Poker machine income was up 3.3% and Tab and Keno up by 2%. The profit from trading was up by 42%, or \$59000, to \$198410 and with the addition of the return of our Fingal Bay Unit license (\$57500) the total trading profit before provisions was \$255910. After the deduction of non-cash items of \$249869 the Club showed a bottom line profit of \$6041.

There were two key decisions which stood out in the year, one from each side of the equation. These decisions have made a resounding impact on the Club's trading results and will continue to do so.

1. The cancellation of FoxSport on the 1st of March this year, a luxury we could no longer afford - This will save the club approximately \$45000 per annum. There has been no tangible impact on the Club's income but it has made, and will continue to make a massive difference to the Club's ability to meet its other commitments.

2. Moving the poker machines to the rear of the downstairs lounge - This has integrated indoor and outdoor gaming, provided the player with a greater degree of privacy and opened up the lounge area creating a much-needed open ambience upon entry. The move has resulted in an increase in gaming machine turnover of more than 20% for each month since.

A much-needed facet of the Club's operations is good food. This is provided by Cherie and Grant Reed who with the assistance of chef Pam and their other staff provide consistent meals of excellent quality and value, I cannot thank them enough.

Your Club continues to be a key supporter of community organisation with \$9500 donated to local groups last year. Some of these include:

Sugar Valley Neighbourhood centre

Allambi Youth Services

West Wallsend High School

West Wallsend Heritage Group

West Wallsend Combined Pensioners Association

West Wallsend junior Football Club

Sugar Valley Golf Club

West Wallsend Junior Rugby League Club

Barnsley United Football Club

As mentioned earlier, the Club returned its Fingal bay unit license. The Club is still a member of the Federation of Community Sporting and Workers Clubs and as such members can still book in at the holiday centres. It just means we no longer have sole access to a unit at Fingal Bay. The decision was made to bring the funds back into the club as the unit was constantly underutilised.

Your Board have had to make some tough decisions this year which has brought them under some fire from a small section of the membership. To their credit they have stuck behind the decisions and I applaud and appreciate their cohesion and support. Special thanks to our President Peter Dempsey who is coping well with the steep learning curve associated with his position. We have developed a great rapport throughout the year and I look forward to many more. To our wonderful team of staff; it's reassuring to have people that I have complete faith in. Your efforts and contributions never go unnoticed and they are always appreciated. Running a club is not a something you can walk away from at the end of the day, it's a 24 hour a day commitment. Therefore, to my wife and family, I offer my apologies and special thanks for their tolerance and support.

Yours sincerely

David Jackson
Chief Executive Officer