



# Chairman's Report

January 2015

## Financial

We extensively reviewed the results for the first half of the financial year. Club turnover in November and December was up strongly especially compared with the same months last year, but disappointingly net profit was about the same as last year. The inevitable conclusion is that our margins are too low i.e. we are not charging enough for the value we are providing.

No one would suggest that we cut back on the quality of what we offer as it is part of our significant competitive advantage e.g. think of the excellence of the food at our first Sunday Lunch Club on 18<sup>th</sup> January, but we now realise that the \$40 price was too cheap.

So what your Board has decided is that we must increase all of our prices to better reflect the cost of what we are offering. We were reluctant to do so with the state the Club was in, but that is no longer the case, and to continue with the refurbishment we must make profits to give us the money to finance the works.

Whilst work needs to be done on reducing costs by for example better portion control, this is unlikely to yield the monies we need especially with our outdated and highly inefficient kitchen.

## Actions agreed to improve Club margins

With the Feb 1st excise increase we need to increase both our charges and our margins on beer and wine.

### Motion 1.

- A schooner of beer moves to \$6.10 with a member price of \$5.50.
- All house wine increases by a minimum of \$1 per glass with \$1.50 for premium wine.
- Spirits move accordingly.

Discussion: we absorbed the 2 excise increases last year as well as freight as BV hotel was our main source of competition and did not increase theirs due to sale of hotel etc. We have no choice but are now in a better position to go it alone on bar prices. Mosman is a price sensitive area, and prices appear to be artificially low all over. Hotels are heavily subsidized by their poker machine profits whereas we are just starting to build that trade and have a long way to go before we can come close to

hotel level poker machine trading. This in time will involve further machine upgrades and purchase of additional entitlements.

- All per head function food prices increase by \$10 per head, unless for agreed promotional reasons a lower rate is used”

Discussion re social function prices the social director note that the price was set at \$40 as the board decided this would be a promotional event to showcase the function room and bar to social members. It is clear from the success that we can charge more.

Agreed we should advertise benefits of membership more ie 10% discount and 2% loyalty bonus by producing a flyer advertising benefits of membership, new function bar and upcoming social events.

### **Motion 2: Bridge Fees**

1. Morning bridge players should from February 1st pay separately for coffee and tea, which will now be provided from the bar, whilst the very low charge of \$5 will remain.

Discussion: There is a staff cost that must be associated with this activity. It should be noted that on 19/1 the only reason that the Club was open and staffed was to facilitate the bridge players.

All agree. Question regarding membership status of the Monday bridge players, Alex states mixture of life, bowling, old bowling and now social members (although many were not members in the past), and it is important to note than when ASF donation forms go around many of these people are first to donate. Issue all comes down to is the free coffee & tea trolley to be retained? Board agrees we don't want to give away free coffee & tea anymore, especially with our budding café business and the return of all our yoga / lifestyle classes in Feb. Many board members have seen these groups better utilizing the premises now.

Re coffee & tea trolley for pennants & GPS, Alex states that he was the one that always had to set it up. It was resolved that there will be no free coffee & tea for pennants and GPS unless we are specifically required to for representative matches (which we usually charge back to the relevant association).

2. Thursday evening charge for dinner and bridge stays at the current to \$20 pp.

This was increased last year and we are now looking to value add.

Conclusion: Motion 1 and 2 are accepted.

### **2015/16 Membership fees**

The Chairman initiated discussion re membership fees referring to a 5 year plan circulated to previous board for an incremental increase in membership fees on annual basis tied to improvements in the club. Fee for 12/13 was \$100 bowls / \$10 social. Fee was increased per schedule for 13/14 to \$150 bowls and \$20 social. Fee was supposed to rise to \$200 bowls and \$30 social for 14/15 however previous board voted against this and fee was adjusted to \$150 bowls (unchanged) and \$25 social. We need to get back on schedule given the improvements in the club and member offering so

will circulate a revised fee schedule to board members for next meeting discussion and resolution.

### **Implementation of Strategic Plan**

Capital works analysis was circulated with agenda. We have fallen short of our target to raise \$250k through issue of two separate notes, one for the original function room structural works and the second for the air con works. We will try to raise another two to allow some work to be done in the main bar and with the heritage museum.

### **Social Committee report**

Plan of events for the 2015 year has been finalised and adopted and is attached.

First Sunday Lunch Club was big success.

Much praise for event was passed on to the social directors and the staff, Alex particularly noted the comment from one young lady who attended. Her exact statement was “do you know what the difference between the Rovers, the RSL and others compared to this club is? I went downstairs to nice clean new bathrooms”. Here again proving the success in renovating ladies facilities. This is most important as 90% of function enquiries and bookings are by women and women notice the facilities more than anything else when attending an event.

### **Men's report**

- Pennants trial vs Neutral Bay here this Saturday
- Received invite to Waterman Trophy at Mosman JD to discuss with JB & Ted Pratten re entering

### **Ladies' report**

- Saturday mixed bowls going well. Trying to get players to upgrade to full bowls.
- Open Pairs on Feb 15th is the tournament previously held on 3rd Thursday of month at North Sydney now coming to us, hopefully on a monthly basis. Last meeting it was agreed that wbc and wwbc would each guarantee \$500 of prize money however if entry is fully subscribed (28 teams @ \$30) this will not be necessary.
- However we need to look for a sponsor for say \$500 per month so the club can collect green fees

### **New members**

29 applications for membership were approved.

### **How you can help increase the efficiency of our Club**

Bookings for our Sunday Lunch Club did come very late, as is often the case. This led to discussion of asking members to book and pay in advance to help efficiency especially at the bar on the night of events.

Wages constitute the largest single item of our expenditure at roughly 50% of total costs. For those with **computers, internet access and who use EFT** you can help reduce our costs by doing more things electronically, especially when it come to booking and paying for the functions our Club runs. Prebooking and prepaying has the advantages of:

- Saves the time of bar staff, which for large functions, can mean one less staff member
- is required
- Your drinks order will be filled faster
- And importantly it makes catering planning and buying more precise which reduces was (another economy).

Agreed to trial electronic booking and payment by including this option in the advertising of future of future Club functions noting members will still be able to cancel up to 24 hours before a function, and if they have already paid will receive a full refund.

Cheers  
Peter Read  
Chairman