

POSITION PAPER 2ND QUARTER 2018

The overall result for Q2 the period 1 April 2018 to 30 June 2018 was a loss of \$57952, compared to a budgeted profit of \$37,110 and a profit last year of \$76,078.

The overall result YTD for the period 1 January 2018 to 30 June 2018 was a loss of \$64,984, compared to a budgeted profit of \$87,083 and profit last year of 142,248.

Department items that Impacted this result;

Bar Sales:

Q2 is \$20k up on budget and ahead of the same period last year. Labour cost, as expected have started to decrease against budget and we would expect this to continue through to the end of 2018 with an ongoing review to staffing levels. Ticket In / Ticket Out has provided the saving indicated for this proposal.

YTD Bar sales are up 10k on budget and \$31k for the same period last year.

Gaming:

Poker machines turnover is still trending up on last year's figures. Income YTD is down only 6k on budget, but indications are that this will be positive before the end of 2018. The good result YTD is largely to do with the purchase of three new poker machines that have been installed over the last seven months.

The Board believe for these positive trends can continue, with ongoing purchases of replacement machines, but this will be affected by constitutional constraints of a maximum 250k capital spend per year. For the club to be able to address downturns in revenue, we must revisit our constitution.

Greens:

The strong performance in this area has slowed considerably over the last 3 months. Management is looking into initiative to bring this back in line with expectations. Promotional activity designed to bring new players to the course is being trailed over August. As well as looking at new competition formats over the summer period, for those with time constraints.

Management will also be looking to bring in patrons to utilise facilities over the Xmas party period.

Catering:

This area continues to be a strong focus of managements time. We are now in the winter period and have looked for opportunities to save money, including closing Sunday and Monday evenings for dinner This will be reviewed for the spring / summer period. Changes to menus are continuously reviewed and changed to entice people to come to TBCC.

Staffing is also being tightly controlled.

Administration:

Administration costs have increased in 2018 due to marketing and corporate sponsorship being taken in house along with the accounts function. Heavy reliance on administration from sub-clubs has also had a significant impact. Corporate sponsorship income has increased from 2017 and further upside is expected in this area. There was a significant write back of sick leave provisions.

Capital Expenditure:

The following items have been purchased for \$144k in the first six months of this year, because of the need to replace expiring equipment and to ensure when we have continued to enticed people back to our club, they have a positive experience and want to return.

Dragon Cash Panda

Dragon Cash Golden

Gaming CRT

TITO Upgrade

Kitchen Hot Water

Stick Blender

Deep Fryer

Electric Greens Roller

TAB Furniture

Vending Machine

Electronic sign in

Carpet Tiles Downstairs

Laminate flooring

Coin Counter

TCL smart TV's x 2

Signage (Fairway)

Kitchen Fence

Tab Display Screens

Dishwasher

Free Cash (Traditional):**2017 Financial year:**

January 2017: 617k

December 2017: 583k

Difference: 34k

(This position was impacted by the bad debt and additional cost of bringing catering back in house after letting the caterer go.)

Q1 2018 Financial year:

December 2017: 583k

March 2018: 459k

Difference: 124k

(Capital items and ongoing impact of catering being brought back in house)

YTD 2018 Financial year:

March 2018: 459K

June 2018: 506k

(Improvement of 47k on Q1)

On behalf of the TBCC board.