

Treasurer's Report

I am pleased to present my financial report for the year ended 30th June 2015 and to inform you your Club has recorded a combined net profit after tax for the year of \$217, 351.

This year we have an increase in revenue of \$400k, and our cash flows remains strong. Although some costs have increased such as employee expenses (by 5.6%) bearing in mind it relative to our increase in turnover, many other costs have been controlled.

Looking briefly at the results for our main trading areas:

* **LUSC bar sales** increased by \$7.5 k to \$1.574 million. Our bar gross profit margin for the year decreased to 56.81% (previous year 58.05%), being mainly due to the costs of coffee for our bingo players and vouchers redeemed from the kiosk terminal. Whilst wage costs increased by another \$4.7k this year our overall bar net profit decreased by \$19.9k during the year to \$500k.

* **KCC bar sales** totalled \$350k for the year (-\$32.7k to last year) however, we had decreased Cost of Goods Sold by over \$14k. An increase in wage costs again, this year by \$9k compared to last year, resulted in a net profit of the KCC bar trade of \$101.7k. This result is down on last year's by \$26.6k. Significant rain events hampering play on the course thus the patronage of our players at the bar would be justification of this disappointing result.

* **Sales in the LUSC bistro** increased to \$1.502 million that is an increase of \$36.5 on last year. If we compare to two years ago after the renovations, we can boast a turnaround of over \$115k, which means our members are enjoying their dining experience with us. An increased turnover means an increase in wages; this year by nearly \$55k being a total of \$677k. An increase in other direct catering expenses such as cleaning has resulted in an overall profit of \$24.5k down \$13.3k to the previous year. We are investigating wage expenses compared to our sales, as this percentage has increased by 2.62% and although we have ascertained we are not paying more hours, we believe more hours have been paid with weekend penalty rates. Increased wages of \$622k (+\$28k) saw the bistro net profit decrease to just under \$38k.

* **Net Gaming at the LUSC** increased from \$2.99 million to \$3.16 million, an increase of 5.5%. The net profit percentage is not as sharp as last year as the introduction of the state wide link resulted in expenses of \$88.2k.

* **Net gaming at the KCC** increased by \$196k compared to last year's result.

* The **KCC golf course trading results** were a slight improvement on last year by \$2k despite the rain, with an annual net profit of \$167.1k (\$165.1K last year). Total income was \$603.7k which is a mild 0.6% increase on last year being \$599.7k. Although the overall direct expenses for the course our down by nearly \$2k, a significant increase in repairs and maintenance is noted, to the effect of \$20k compared to last year. This was mainly attributable to drainage and machinery matters.

* **KCC bowls trading results** showed a disappointing loss of \$7.5K for the year. That is \$38.7k less, compared to last year's profit of \$31k. A notable decrease in fees collected of over \$18k and an increase of repairs and maintenance (being the costs associated with the correction of the synthetic green), is the effect of such a result. We do anticipate our green fees income to increase in 2016.

Our combined result for the 2015 financial year has decreased by \$46k compared with 2014, and this can be summarised as follows:

Operating profit at LUSC	+\$286k	(- \$55k)
Less Operating loss at KCC	- \$113	(+\$11k)
Plus Income tax credit	<u>+\$44k</u>	(- \$2k)
Profit for the year	<u>+\$217k</u>	(\$46k)

Our club continues to trade strongly despite decreases in some trade areas. Whilst the result at KCC is another loss this year it is encouraging to see an improvement on the last by \$11k.

Our cash donations this year totalled more than \$70k and in addition we provided “in kind” support of over \$200k.

Thank you to my fellow directors and the management and staff for their hard work and considerable achievements during the year.

Ken Whyte
Treasurer