

July Newsletter

Membership

As at 1st June 2005 our membership stood at 542, some 100 members less than at 1st June the previous year. The Clubs premises and business is simply not sustainable at this level. While every single cost of business is being reviewed, it was clear from the outset that this alone would not be sufficient and we set an ambitious target of increasing this to 1000 members prior to the AGM on 31st July. Even more ambitious was the target of adding 300 in the 3 weeks to the 30th June with half of these being new members.

Stage 1 of the campaign has been an outstanding success. Total Membership is already above 850 but more importantly is the number of new members coming onboard. During the first 3 weeks of the campaign, the Club received 180 new member applications which actually exceeded the total of all new members in the past 3 years.

The support we received from the Club's sponsors was generous – the advertising, flyers, posters etc were all provided at no cost to the Club, as was the prize money. A campaign with a commercial value of around \$8000 has been done for a few hundred dollars. The New Members night attracted over 150 current and new members to the Club, with one new member walking away \$500.00 the richer.

Stage 2 of the campaign has just commenced and you will find enclosed with this newsletter a promotional flyer with an application form on the reverse. We are seeking the assistance of all our members in encouraging their friends/partner/family in joining the Club plus the chance for you and the new member to share in a \$500 prize split between the new member and the person nominating that new member. Note that you can nominate more than 1 person, and you can also nominate your spouse/partner thereby increasing your chances of winning the prize. Additional forms are available at the Club or Van Dyks or you can phone to have some posted out to you from either outlet.

Doorlock/Membership Cards

The card entry system has been updated now only accept the current year's cards. All members paid up to 4th July should have uplifted their cards or received them via post. Any uncollected cards have now been included with this newsletter. Last week we discovered that the system is not integrated and requires the manual input of all paid members into the card entry system. With the volume of new member details this is a considerable task but will be completed by 22th July. If you are still experiencing difficulties with your card after this date please advise the Bar Staff and our apologies for the inconvenience this has caused.



Restaurant

This area of the Club's operations continues to incur significant trading losses. We believe it can be a viable business in its own right under an owner/operator contract and we are currently negotiating the terms of contract with an announcement expected shortly. The Restaurant has the potential to be a real asset to the Club and there will be some exciting changes to look forward to.

Gaming

A key source of revenue for the Club and essential that we regularly update our machines to remain in competition with other gaming outlets. However no gaming funds have been put aside for replacement and we face a catch 22 situation where we need to replace some machines simply to retain our gaming revenue but do not have the funds to replace them. The Club is also faced with additional costs over the coming year in making modifications to all our machines to meet the new on line reporting requirements required by Internal Affairs.

We are currently undertaking a detailed analysis of all gaming for period 1st April to 30th June, and a cost benefit analysis on the new machines and reviewing the Jackpot system. The decision on new machines must be a sound commercial decision, not only for the Club's benefit, but to secure the funding of the purchase and we hope to have a proposal prior to the AGM.



New Big Screen TV

If you haven't been at the Club recently this is a must see – The Club was presented a new 56" Widescreen TV by Panasonic in acknowledgement of all the Clubs sponsors who contribute so generously to the Club on a regular basis.



Comment from John Van Dyk

My sudden presence at the Club over the past several weeks has raised a few eyebrows and the rumour mill started to work overtime so I'd just like to clear a few things up. My initial scope was a review of the gaming business pending a decision by the Club for the purchase of some new machines; as required under the terms of our loan contract with the Club. One thing led to another, and I offered to assist the Committee with their marketing campaign for new members, and the use of some our business systems to provide more timely information for the Manager and Committee.

The other issue I wish to address is the misconception that the Van Dyks own the Club – here is the full story. Last year a company called Elite Properties (which is associated with the Van Dyks) settled the Club's debt with the Bank and IRD in exchange for the freehold interest in the Land and Buildings together with a loan back to the club.

The agreement we have in place prohibits Elite Properties from selling the property to any other entity other than the Club itself for the next 10 years. The agreement also allows the Club to re-purchase the property upon 3 months notice at the same price, allowing only for inflation.

So what we do own is simply the building - the 4 walls, the roof and the floor - to say we own the Club is like saying that the person who owns the BNZ building owns the bank, the person who owns the Wrightson building owns Wrightsons - it just isn't so.

Finally, the Club, your Club, is run by the Manager and your elected Committee. I/we do not have any constitutional or voting right in any aspect of the management of the Club, save for a right of consultation prior to the Club raising any additional loans, which is how my involvement got started in the first instance.