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\$109,000 loss recorded

Club in cash crisis talks

DANDENONG'S oldest licensed club is in dire financial trouble after recording a loss of \$109,000 in the past 12 months.

Members of the Dandenong Club, which moved from McCrae St to Heatherton Rd to make way for the Capital Centre project, will on Thursday night vote on suggestions aimed at rescuing the club, including a possible merger.

The club is not alone with its financial problems — the deficit follows closely on the announcement that Dandenong's biggest licensed club, the Dandenong Workers' Social Club, also recorded a loss last financial year of just over \$5000. It is rumored that the Dandenong RSL also traded unprofitably last year and the Dandenong Sports Club is certainly in the red.

The Dandenong Club has assets of just over \$2½ million, but at its annual general meeting at 7.30 on Thursday, members will be asked to consider a five-point move aimed at "reducing our financial obligations to our bankers." These are that the club:

- Be privatised.
- Considers a merger or a amalgamation with another club.
- Calls on members for a levy of \$100 per ordinary, family or corporate member and \$50 for each associate.
- Calls for a compulsory debenture with minimum \$100 unit to earn 10 per cent interest, payable six-monthly.
- Sells an asset such as additional land or painting (believed to refer to the huge 102-year-old painting of Napoleon's Retreat which has graced the club since being donated many years ago by former club president, the late Larry Cotton-Stapleton. The painting is conservatively estimated to be worth more than \$300,000 after

being painstakingly restored just over 12 months ago).

In his annual report, club president Mr Graeme Howard, tells members: "Once again, the club is facing serious problems associated with the economic downturn, high interest rates, reduced sales, and cash flow difficulties, as we did in the years of 1982-3.

"We suffered losses then and we have them again. The salient difference between now and then is the far healthier relationship between our liabilities as expressed as a percentage of our nett assets.

"The \$87,000 drop in sales and the result loss of \$39,000 in trading profit, is of very great concern. The majority of this has occurred in the past six months. A significant fall in members' attendance at the club and the lack of participation in club activities have further contributed to the problem.

"Our membership is currently 928, approximately 400 less than when we opened the new club at this location (three years ago). Unless members participate and we get increased sales from members and outside functions, the club will not survive."

Mr Howard's concerns were echoed by treasurer Mr Frank Nicoll, who said in his report: "Members can readily see the deterioration in the club's financial situation and the possibility that, despite the problems and the action taken to arrest the trend, we may fail, and the club not survive."

However, referring to members' equity and nett assets, Mr Nicoll said the figures proved that the club had come a long way in the past 11 years and the comparison figures "are a silent tribute to the presidents and committees who accomplished it."