Honorary Treasurer's Report - RSC Townhall Meeting

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Honorary Treasurer
19 September 2026

Brief Overview and Situation Analysis

Let's Start With Recap of Forensic Audit Findings By Baker Tilly

Extract from Baker Tilly Report

2.1 Overall Results

The overall results of the Forensic Audit review are summarised in the following table. There were 31 out of 32 findings (96%) that we consider as high priority where there are significant breaches of Constitutional Rules and internal control weakness and lapses.

Areas Reviewed	**High Priority**	**Moderate Priority**	**Low Priority**	**Total Findings**
Comprehensive Finance Department Review	17	-	-	17
Procurement to Payment - Irregularities and Breaches	10	-	-	10
Hiring of the General Manager – Governance and Compliance	2	-	-	2
General Observation	2	1	-	3
Total	**31**	**1**	**-**	**32**

Let us not be in denial ……… the Club faces a serious control problem !

Strengthening financial controls and procurement is fundamental to restoring financial health; without it, mismanagement, leakages and avoidable losses will continue.

Forensic Audit | Finance Control Findings

27 of 32 forensic audit findings were within the Finance Function — all 27 were High Priority

What the numbers show

Baker Tilly identified 32 control and governance weaknesses, with 31 (96%) rated High Priority. Within Finance: 17 findings related to Finance Operations and *10 findings on* *Procurement* *(which is under purview of Finance)*

Implication

The findings point to an extremely weak financial control environment requiring urgent remediation across Finance Operations, Procurement governance and accountability.

32	31	96%	27
Total findings	High Priority	High Priority	Within Finance

Finance Function concentration of findings

27 findings within Finance scope: 17 Finance Operations + 10 Procurement

100% of Finance Function findings were High Priority

Situation Assessment: Progress is real, but Sustainability Remains Fragile

- **The Club has stabilised performance through cost discipline, Procurement controls and improved governance to procedures and rules,**
- **But revenue, membership and legacy internal control weakness and balance-sheet issues still require decisive action.**

TODAY'S POSITION

- 14-month after-tax deficit reduced to RM 697K. *(from previous year RM 864 K for 12 months period end June 25)*
- Net cash buffer remains tight at ~RM2.5m.
- *(some issues with long overdue receivables like ceased members due RM 300K & affiliated clubs RM 250K have collection issues)*
- Monthly free cash flow remains marginal after capex needs

PROGRESS MADE

- Monthly surpluses generally achieved over the last 6 months
- RM1.3m reduction in operating expenses in 2026 compared to previous year FYE June 2025
- Stronger financial reporting, procurement control and reconciliation discipline

KEY RISKS

- Revenue from members and beverages below budget
- Membership stagnant; 1-for-3 scheme materially behind target by 167 (achieved 33 Target 200)
- RM550K aged receivables and affiliated Club dues exposed and may require write-off

NEXT PRIORITIES

- Grow recurring membership income
- Protect the limited cash buffer of RM 2.5 mil
- Complete legacy clean-up and tighten credit controls
- Continue digitalisation and staff upskilling

We have started to fix the fundamentals. but the turnaround will only be sustainable if revenue and membership growth catch up with cost discipline.

Financial Performance Is Improving — but the cash buffer is still thin

Cost discipline has narrowed the deficit and created monthly surpluses, but the Club cannot rely on cost savings alone.

RM697K

- After-tax deficit for 14 months ended Aug 2026 versus RM 864K FY June 2025(12 months)
- Monthly net surplus last 6 months

~RM1.3m

- Operating expense reduction over the last 12 months. Main driver for improvement

~RM2.5m

- Estimated net cash balance after commitments (After factoring in approximately RM500K of long-overdue and potentially unrecoverable amounts, the effective net cash position may be closer to RM2.0 million)

~RM60K

- Average Monthly surplus after tax before capex and before depreciation

(as it is a non cashflow item)

What members should take away

- The Club has improved, mainly by reducing costs.
- The Club is more disciplined than before, but the financial position remains fragile
- The current cash buffer remains vulnerable and could be quickly eroded by rising costs, weaker revenue, unexpected capital expenditure or litigation expenses.
- Revenue growth and disciplined spending must now work together.

The Sustainability Challenge Is Revenue and Membership Growth

The Club cannot support two clubhouses on cost savings alone; recurring income must strengthen.

5,603 → 5,442

Membership peak vs current. Stagnant for a decade-last 10 years

33 / 200

1-for-3 scheme achieved vs target. Shortfall of 167

~50%

Life Members paying lower subscription. Structural pressure

~6%

Absent Members paying lower subscription. Reduced recurring fees

WHY THIS MATTERS

- Member-related income and beverage revenue are below budget.
- Bar stock losses July 26 was RM 13.5K *(9% loss)* and Aug 26 was RM 8.5K *(4% loss)* , erodes thin beverage margin *(this is the first time the club has instituted this financial control)*
- Membership attrition from cessation, resignation and death continues to offset recruitment.
- The cost of operating Dataran and Kiara requires a stronger recurring revenue base.

WHAT NEEDS TO CHANGE

- Treat membership recruitment as a strategic priority, not an administrative activity.
- Address attrition and improve new members recruitment. Some proactive and aggressive approach required.
- Broaden recurring income beyond short-term cost savings.
- Continue to further strengthen financial controls

- **Without stronger membership growth, the Club's financial recovery will remain fragile and difficult to sustain.**
- **Then the only other option will be to increase members monthly subscription which should be the last option.**

Legacy Clean-up Is Necessary To Protect Cash and Restore Financial Discipline

Bank Reconciliation, Procurement control , receivables and credit limits are not accounting technicalities they directly affect cash protection and cash reserves

~RM2.5m

Estimated net cash after commitments. Tight buffer with small safety margin

~RM300K

Long-outstanding ceased member receivables. High write off risk

~RM250K

Affiliated club receivables under follow-up. Collection effort ongoing

RM300K

Ceased member legacy exposure in credit controls. Deposit shortfall issue

CLEAN-UP WORK IN PROGRESS

Bank Reconciliation

Legacy reconciliation issues are being resolved through separate backlog clearance and daily current-period reconciliation.

Balance Sheet Clean-up

Historical unreconciled items are being investigated and progressively cleared with review and evidence.

Credit Risk Control

Credit limits should be aligned to member deposits or deposits topped up progressively to reduce future bad debts.

A stronger Club requires accurate accounting and with effective financial controls , disciplined collections and credit limits that reflect actual member deposits.

Key Finance Initiatives and Improvements

Strengthening financial oversight, tightening financial and internal controls and automation & reducing manual work

REPORTING, PROCUREMENT & FINANCIAL and COST CONTROL

1. Monthly financial reporting (P&L, BS, Cashflow & Other Reports)

Standard monthly reports by the 15th of the month . Clearer insights into monthly financial reports – P&L, balance sheet and other financial performance indicator and key issues affecting the Club.

2. Bank reconciliation new Initiatives to clear backlog

Separate team clearing backlog to 30 Jun 2026;
dedicated staff reconcile daily from July 26.

3. Procurement & e-procurement

Digitized e –procurement system and process with full audit trail; 3 quotes up to RM7,500 (Treasurer/Secretary limit) , Tender Board for amounts above this limit per the Constitution.

4. Cost optimisation

Addressed wastage and leakages through tighter scrutiny of procurement expenditure. Significant cost savings achieved as reflected in the YTD Operating Expenditure in the P&L

5 Automated sports section reports

Monthly reports now issued on the 10th,
with no manual rework. More efficient process and accurate reporting

PEOPLE, INVENTORY & PROCESS IMPROVEMENT

6. Finance staff supervision & upskilling

Closer supervision of the Finance team,
with a focus on skills development and on the job training .

7 Bar stock oversight & inventory control

Monthly bar Stock losses can now be quantified;
inventory control improvements in progress.

8 Petty cash controls

Policy in place with restricted cash floats
and designated custodians.

9 Finance SOPs & automation. (in progress in stages)

Fixed asset accounting automation; compliance
with procurement and Finance SOPs.

10 Back-office bill processing (in progress)

Automating and simplifying bill processing
to reduce manual work by Finance staff.

Detailed Report of the Honorary Treasurer

1. Income and Expenses -Monthly Last 3 months and YTD 14 Months July 25 to Aug 2026
2. Monthly Income and Expenses and Cash Position for August'26
3. Balance Sheet As at 31 August 2026
4. 14 Months Key Revenue Analysis Trend
5. 14 Months Analysis Of Operating Expenses Trend
6. 14 months Staff Cost Trend
7. Membership Statistics
8. 14 Months New Membership Analysis
9. Club is Exposed To Credit Risk – Deposits of some members is lower than the Credit Limit of RM 5,000
10. Bar Outlets Profitability
11. Effective Tracking of Draft Beer Losses From the Various Bar outlets
12. Key Finance Initiatives and Improvements
13. Bank Reconciliation: Diagnose the Problem

Income and Expenses -Monthly Last 3 months and YTD 14 Months

- **2026 is an 18-month financial year** — July 2025 to December 2026 , following the EGM-approved change to align the Club's year-end with the calendar year.
- **Direct year-on-year comparison is therefore not exact**, as the previous financial year for 2025 covered only 12 months.
- For the current financial year **14 months ended 31 August 2026**, the Club recorded an **after-tax deficit of RM697K**, compared with **RM864K in the previous year 2025 which was for 12 months**
- **Encouragingly, the Club has generally recorded monthly after-tax surpluses over the last six months** and is tracking broadly in line with budget.
- **The improvement has been driven mainly by cost savings and tighter expenditure control of about RM 1.3 million**
- **Revenue remains the key challenge,** with member-related income generally below budget and requiring greater focus going forward.

Descriptions	Current Month Aug-26	Previous Month Jul-26	Previous Month Jun-26	14 months Current Year YTD Jul 25-Aug 26	12 months Previous Year YTD Jul 24-Jun 25
INCOME					
Revenue from Members	541,657	589,544	574,858	7,887,119	7,227,906
Food and beverage outlets	634,412	555,952	581,237	9,467,454	10,445,936
Cost Of Sales	(546,212)	(481,875)	(513,896)	(7,978,360)	(8,470,533)
Incentive from breweries	25,025	14,585	-	623,888	849,849
Gross Profit From Food & Beverage	113,225	88,661	67,341	2,112,981	2,825,252
GP % (after incentive)	17.85%	15.95%	11.59%	22.32%	27.05%
Slot Machine	64,500	64,500	64,500	903,000	774,000
Rental & Other Income	56,066	88,272	67,055	923,482	885,846
Contribution from Sales Commission From Caterers	92,476	80,148	86,193	1,177,005	897,739
Bank Interest Received	61,873	64,918	60,021	919,437	744,895
Total Income	**929,798**	**976,042**	**919,967**	**13,923,024**	**13,355,639**
EXPENSES					
Salaries, Wages & Benefits	379,579	378,741	383,832	5,667,561	5,572,465
Contribution by Members	-	-	-	-	-
Net Salaries, Wages & Benefits	379,579	378,741	383,832	5,667,561	5,572,465
Casual & Contract Labour	122,729	113,483	119,186	2,175,960	2,158,674
Administrative Expenses	72,423	80,395	84,639	1,344,951	1,267,475
Entertainment & Facilities	39,223	38,660	38,855	468,841	453,622
Utilities	125,349	110,321	111,972	1,596,142	1,422,557
Repair & Maintenance	31,348	51,771	57,632	1,217,921	1,310,761
Financial Assistance to Sport Sections	59,875	32,005	27,790	242,019	235,862
Total Expenses	**830,527**	**805,377**	**823,906**	**12,713,395**	**12,421,416**
Surplus/(Deficit) from Club	**99,271**	**170,666**	**96,062**	**1,209,629**	**934,223**
Surplus/(Deficit) from Sport Section	**80,373**	**(36,342)**	**39,975**	**(27,927)**	**44,570**
Surplus/(Deficit) before Depreciation and Taxation	**179,644**	**134,324**	**136,037**	**1,181,702**	**978,793**
Depreciation	109,392	88,747	87,499	1,182,934	1,085,287
Surplus/(Deficit) before Taxation	**70,252**	**45,577**	**48,538**	**(1,231)**	**(106,494)**
Taxation	40,000	40,000	30,000	696,024	757,797
Surplus/(Deficit) after Taxation	**30,252**	**5,577**	**18,538**	**(697,255)**	**(864,292)**

Monthly Income and Expenses (Before Depreciation) and Cash Position for August'26

Estimated Monthly Surplus Before Depreciation and Capex

- Estimated Monthly Surplus after Tax but before Capital Expenditure is about 60K
- Out of these surplus the Club has to fund estimated capital expenditure of about RM 50K
- Monthly free cash flow generated very marginal

ROYAL SELANGOR CLUB Monthly Cash Flow Position for August '26	RM
Income (as per P&L)	
Receipt from member	541,657
Gross Profit From Beverage (Including Incentive	113,225
Slot machine	64,500
Other income	56,066
Commission	92,476
Bank Interest Received	61,873
Total Income Inflow	**929,797**
Expenses (as per P&L)	
Salaries & other benefits	379,579
Outsourced labour	122,729
Admnistrative & General expenses	328,218
Total Expenses Outflow	**830,526**
Net. Surplus - Income Over Expenses	**99,271**
Less: Income tax	(40,000)
Net Income Expenses Surplus	**59,271**

Monthly Depreciation is estimated at RM 90K not included above as is a non cashflow Item

Net Cash Balance as at Aug 2026.

- The net cash balance of RM 2.5 mil is largely from reduction in Operating Expenses of about RM 1.3 million over the last 12 months.
- This cash buffer is still very small and can deplete very quickly. Prudent cost and revenue management is absolutely necessary .
- Some of the Account Receivables are amounts due from ceased members of RM 300K and unreconciled receivables from Affiliated Clubs of about RM 250K

STATUS OF CASH BALANCES NET DEPOSIT	RM
FD	21,532,817
Bank Balance	1,706,428
Total FD & Cash	23,239,245
Less:	
Lease renewal fund	(4,859,340)
Member deposit	(13,743,747)
Scholarship fund	(209,306)
Sports section fund	(920,040)
Staff gratuity	(327,921)
Total Members Deposit & Fund for other commitments	**(20,060,354)**
NET DEPOSIT BALANCE	**3,178,891**
Add Receivables:	
Account Receivables	1,443,737
Other Debtors	325,639
Less Payables:	
Trade Payables	(898,798)
Affiliated Clubs	(332,709)
Other Payables	(991,687)
SST	(273,733)
Estimated Net Cash Balance	**2,510,611**

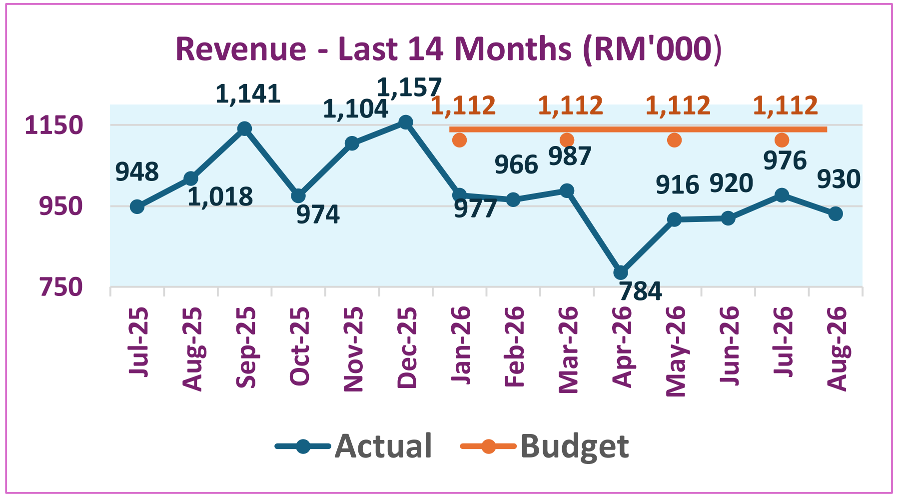
Balance Sheet As at 31 August 2026

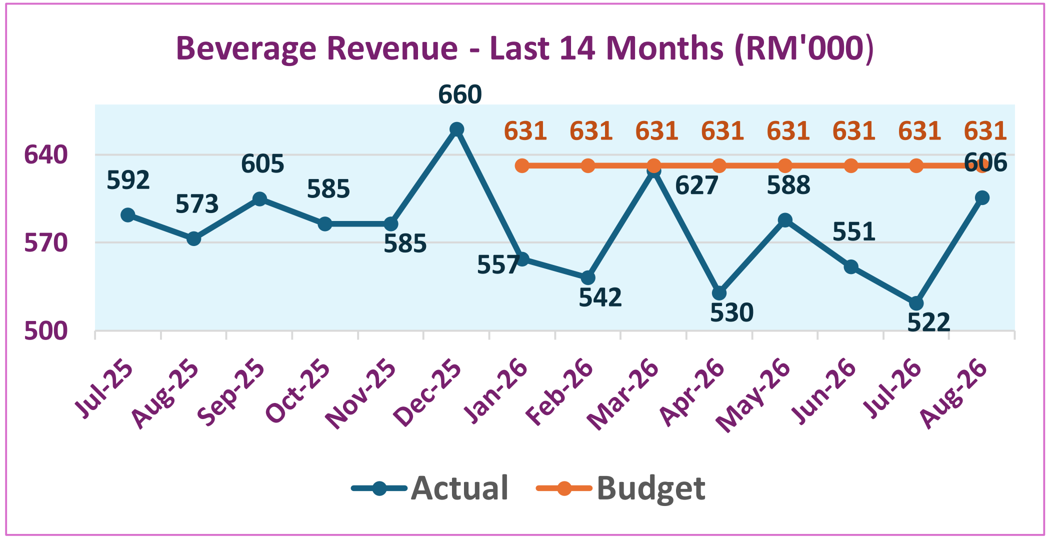
- **Net cash balance remains tight at approximately RM2.5 million** after setting aside member deposits, lease renewal funds, payables and other committed obligations.
- **Legacy bank reconciliation issues** are being actively resolved to strengthen the accuracy and reliability of the Club's financial records.
- **Historical balance-sheet differences are under review and clean-up**, with unreconciled items being investigated and progressively cleared.
- **About RM550K of long-outstanding receivables remain exposed** — approximately RM300K from ceased members and RM250K from affiliated clubs.
- Collection efforts are ongoing, **but some of these aged balances may ultimately require write-off** after proper review, investigation and approval.
- **The focus is to clean up legacy issues, improve financial control and discipline** and protect the Club's limited cash buffer

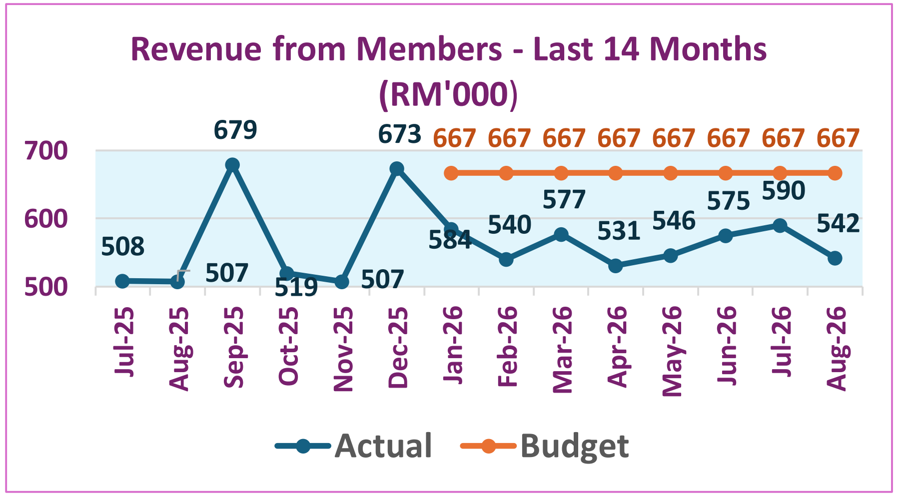
Description	AS AT 31/08/2026 RM	AS AT 31/07/2026 RM	VARIANCE RM	AUDITED AS AT 30/06/2025 RM
FIXED ASSETS				
Fixed Assets At Cost	26,150,158	26,053,164	96,994	25,955,642
Accumulated Depreciated	(15,191,139)	(15,081,747)	(109,392)	(14,005,299)
NET BOOK VALUE	**10,959,019**	**10,971,417**	**(12,398)**	**11,950,343**
CURRENT ASSETS				
Cash In Hand	1,344	1,344	-	4,368
Cash At Bank	1,706,428	1,389,035	317,394	715,538
Fixed Deposit	21,532,817	21,448,726	84,090	20,075,872
Clearing or Contra Accounts	-	-	-	-
Stock or Inventory	511,827	754,341	(242,514)	495,418
Account Receivables	1,443,737	1,377,056	66,681	2,303,885
Deposits	111,365	111,365	-	150,019
Prepayments	211,568	281,896	(70,328)	158,749
Other Debtors	325,639	577,773	(252,134)	323,001
FD Interest Receivable	271,447	243,957	27,490	-
TOTAL CURRENT ASSETS	**26,116,172**	**26,185,492**	**(69,320)**	**24,226,850**
CURRENT LIABILITIES				
Account Payables	898,798	960,837	(62,039)	520,812
Caterers	4,745	(738,415)	743,160	(610,061)
Affiliated Clubs	332,709	309,908	22,801	62,716
Accruals	1,352,763	1,253,560	99,203	420,532
Provisions	20,995	103,658	(82,664)	75,436
Deposit Payables	102,724	102,724	-	102,724
Other Payables	991,687	1,871,220	(879,533)	3,108,551
Staff Scholarship Fund	209,306	209,326	(20)	219,056
Staff Gratuity	327,921	327,921	-	374,994
Tax payable	(21,034)	125,000	(146,034)	192,638
TOTAL CURRENT LIABILITIES	**4,220,613**	**4,525,740**	**(305,127)**	**4,467,398**
TOTAL CURRENT ASSETS - TOTAL CURRENT LIABILITIES	**21,895,559**	**21,659,752**	**235,807**	**19,759,452**
NET ASSETS OR NET LIABILITIES	**32,854,578**	**32,631,170**	**223,409**	**31,709,795**
EQUITY AND LONG TERM LIABILITIES				
Membership Entrance Fee	31,785,000	31,785,000	-	31,250,200
Accumulated Fund	(18,453,548)	(18,543,437)	89,889	(17,950,212)
Lease Renewal Fund	4,859,340	4,809,680	49,660	4,130,820
Sports Section Funds	920,040	844,181	75,859	1,030,705
Member'S Refundable Balance	13,743,747	13,735,747	8,000	13,248,282
TOTAL EQUITY AND LONG TERM LIABILITIES	**32,854,578**	**32,631,170**	**223,408**	**31,709,795**

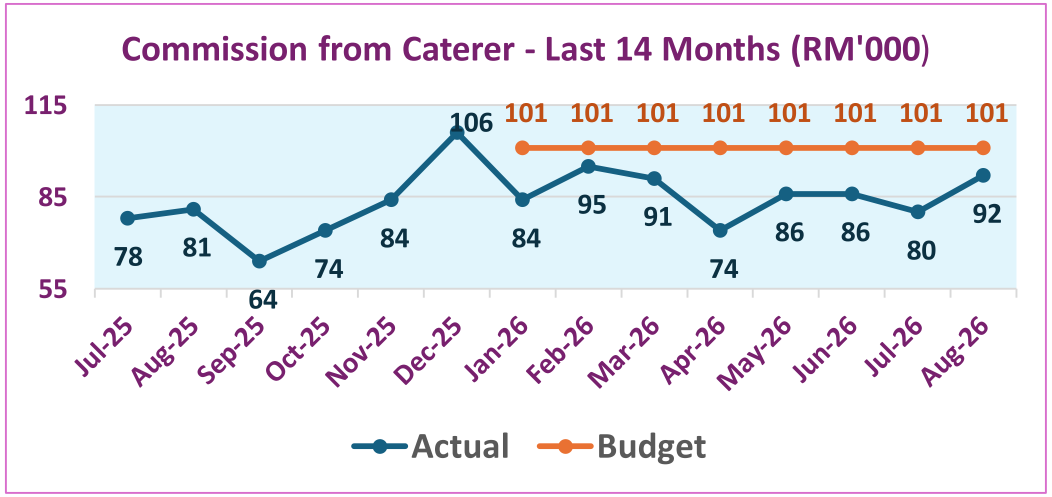
14 MONTHS KEY REVENUE ANALYSIS TREND

- Both Revenue from Members and Beverage Revenue are very much lower than Budget as per the trends below comparing actual with budget
- One for 3 membership recruitment as at end of August 2026 (8 months period Jan 26 - Aug 26) is 33 against a budget of **200** <u>or a shortfall of 147</u>



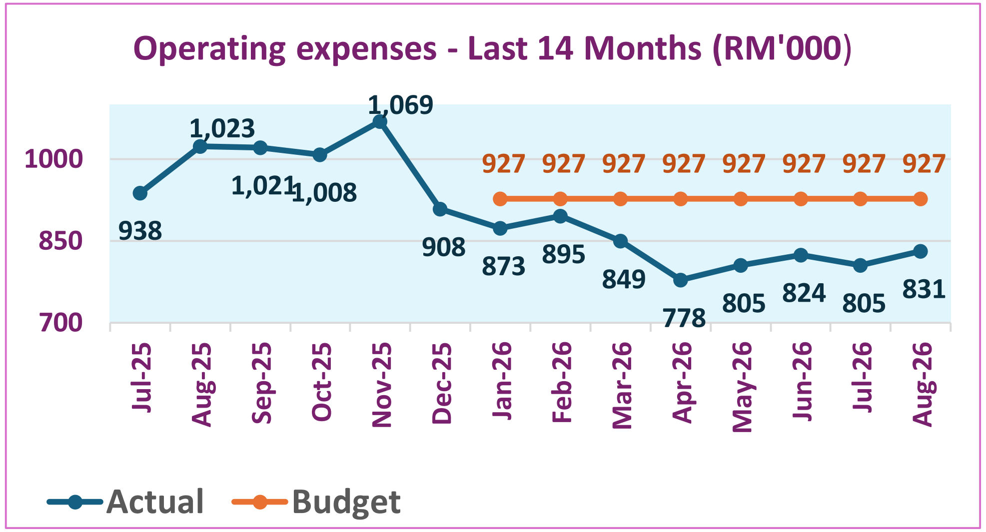


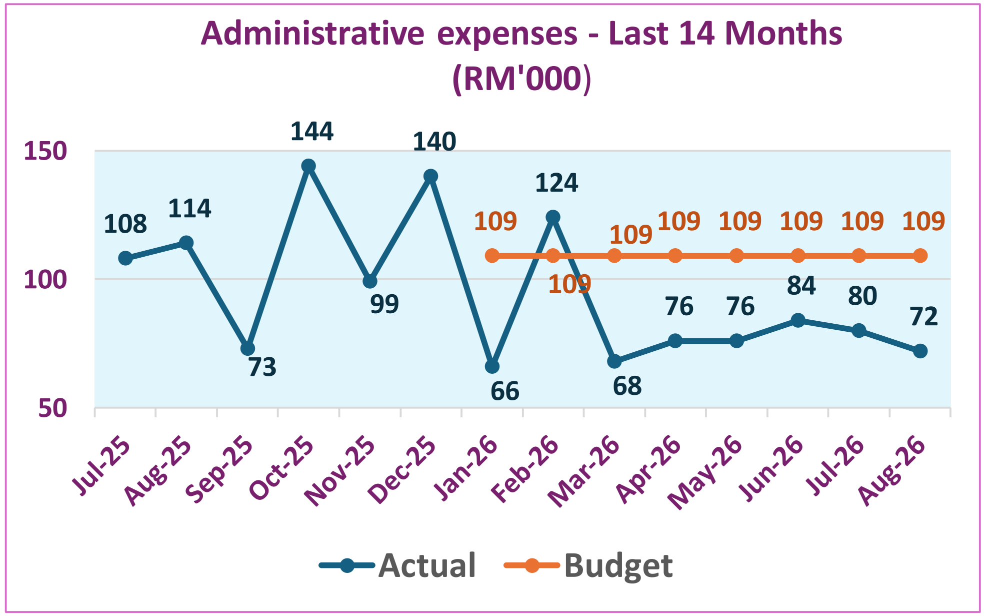


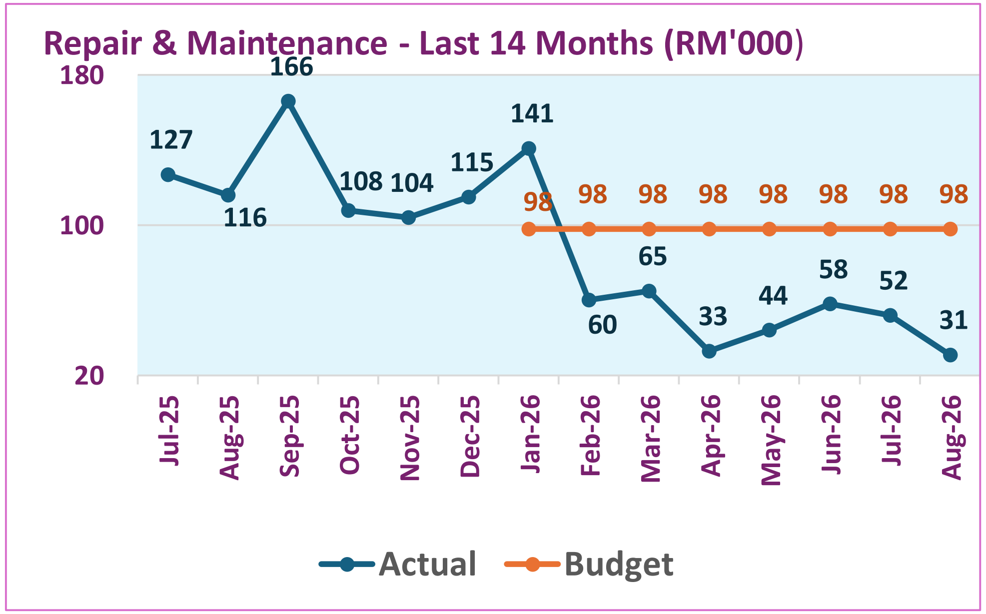


14 MONTHS ANALYSIS OF OPERATING EXPENSES TREND

- **Year on year Operating Expenses is lower by RM 1.3 mil due to various cost savings initiatives**

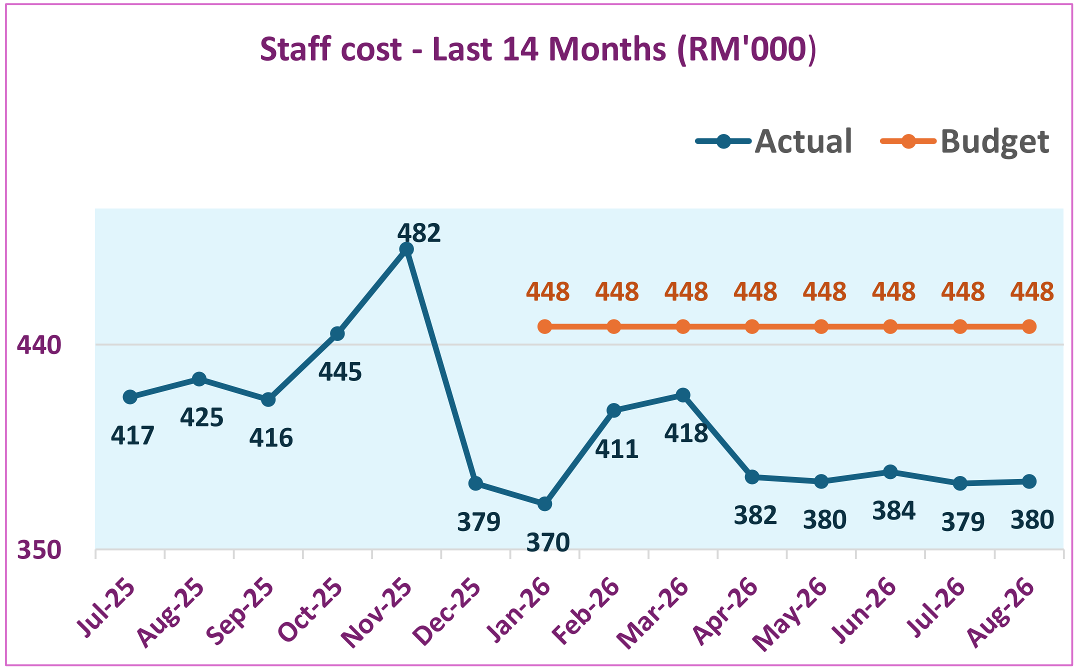


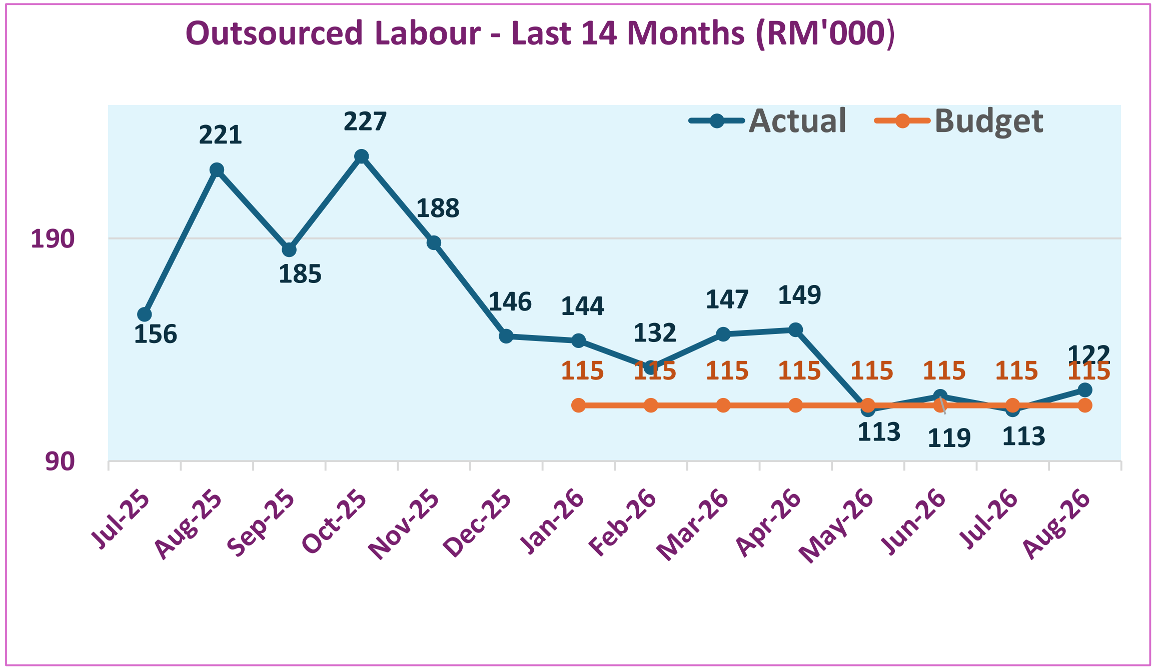




14 MONTHS STAFF COST TREND

- There is significant savings in Staff Cost and Outsourced Labour is generally tracking the budge





MEMBERSHIP STATISTICS

- **Membership has remained largely stagnant for the past decade** — from a peak of **5,603 members in 2017** to **5,442 as at August 2026**.
- **Member attrition remains high**, driven by resignations, deaths and cessations, particularly among senior members, offsetting new member recruitment.
- **New membership is critical to the Club's revenue base** and to sustaining the cost of operating **two clubhouses — Dataran and Kiara**.
- **The ageing membership profile adds further pressure:** around **50% are Life Members** paying substantially lower subscriptions, while another **6% are Absent Members** on reduced fees.
- **The key issue is clear: the Club is not recruiting enough new members to replace attrition and strengthen recurring income.**
- **THIS NEEDS TO BE ADDRESSED AS A STRATEGIC PRIORITY FOR THE LONGTERM FINANCIAL SUSTAINABILITY OF THE CLUB**

Members	Aug-26	Jul-26	Jun-26	Variance	Aug-25
Ordinary	**2,466**	**2,446**	**2,445**	**(20)**	**2,430**
Ordinary - Active	2,340	2,323	2,328	(17)	2,319
Ordinary - Absent	126	123	117	(3)	111
Life	**2,233**	**2,244**	**2,252**	**11**	**2,304**
Life - Active	2,073	2,085	2,092	12	2,144
Life - Absent	160	159	160	(1)	160
Life 80	**442**	**430**	**424**	**(12)**	**382**
Life 80 - Active	406	395	389	(11)	348
Life 80 - Absent	36	35	35	(1)	34
Sports	84	83	83	(1)	76
Privileged Person - Temporary	56	73	73	17	73
Lady	**25**	**25**	**25**	**-**	**25**
Lady - Active	18	18	18	-	19
Lady - Absent	7	7	7	-	6
Invited	3	3	3	-	3
TOTAL	**5,309**	**5,304**	**5,305**	**(5)**	**5,293**
Honorary	133	132	133	(1)	110
TOTAL	**5,442**	**5,436**	**5,438**	**(6)**	**5,403**

14 MONTHS NEW MEMBERSHIP ANALYSIS

- **The “1-for-3” Membership Scheme is significantly behind target** — only **33 new members achieved against a 2026 target of 200**, a shortfall of **167 members**.
- **Membership attrition remains high**, driven by **cessations, resignations and deaths**, continuing to offset new member recruitment.
- **Closing the membership gap is critical** to strengthening recurring income and supporting the Club’s long-term sustainability.

Month	Jul ’25	Aug ’25	Sep ’25	Oct ’25	Nov ’25	Dec ’25	TOTAL	Jan ’26	Feb ’26	Mar ’26	Apr ’26		May ’26	Jun ’26	Jul ’26	Aug ’26	TOTAL
(+) Addition of new member																	
1-3 Membership Scheme	3	5	6	8	5	6	33	10	5	5	5		1	3	-	4	33
Reinstatement	31	7	6	6	6	8	64	4	8	-	8		-	15	7	5	47
(-) Attrition																	
Cease Member	7	-	-	-	1	-	8	13	-	3	38		-	-	-	1	55
Resigned	5	2	3	1	5	2	18	3	1	4	3		1	5	9	3	29
Deceased	7	3	1	1	3	-	15	2	2	2	1		0	2	4	4	17
(-) Other																	
Transferred	6	2	6	1	4	-	19	4	2	3	1		1	-	-	6	17

1-3 Membership Budget Target	
Jan’26 – Aug’26	
Target	200
Current	33
Short fall	167

Club is Exposed To Credit Risk – Deposits of some members is lower than the Credit Limit of RM 5,000

- **RM310K of long-overdue receivables from ceased members (ceased and no longer members) is largely uncollectible**, highlighting a legacy weakness where member deposits were insufficient to cover outstanding dues.
- **A significant number of active members have deposits below the RM5,000 credit limit**, particularly Life Members; some long-standing senior members have little or no deposit balance.
- **This exposes the Club to avoidable credit risk** if members are allowed to incur dues substantially above the deposits held.
- **Prudent financial management requires credit limits to be aligned with member deposits**, or for affected members to progressively top up their deposits to an appropriate level.
- **Tightening credit limits may be unpopular, but it is necessary** to protect the Club from further bad debts and prevent a repeat of the RM300K legacy ceased member exposure.

Refundable Deposit	No of ACTIVE MEMBER	No of ABSENT MEMBER	ACTIVE (%)	ABSENT (%)
-	535	12	10%	4%
50	23	3	0%	1%
100	124	7	2%	2%
250	547	53	10%	16%
500	-	-	0%	0%
1,000	1,420	103	26%	31%
1,250	1	-	0%	0%
1,500	-	-	0%	0%
2,000	741	75	14%	23%
3,000	18	4	0%	1%
4,000	2	-	0%	0%
5,000	1,975	73	37%	22%
7,500	1	-	0%	0%
8,000	1	-	0%	0%
10,000	1	-	0%	0%
	5,389	330		

Bar Outlets Profitability

MONTH (AUG'26)	Beverage (All)	Cellar Bar	Long Bar	Hash Bar	Cocktail Lounge	Pavilion Bar	Oval Bar	Banquet	F&B Admin
Sales From Beverage									
Beverage Revenue	598,095	27,814	137,894	26,896	49,312	273,971	24,063	58,145	-
Tobacco Revenue	5,743	-	1,804	225	785	2,929	-	-	-
Other F&B Income (Audio & Corkage)	22,480	390	2,580	1,320	2,670	5,908	1,290	8,322	-
Incentives Breweries	25,025	1,148	5,693	1,110	2,036	11,310	993	2,735	-
Total Sales From Beverage	**651,342**	**29,353**	**147,970**	**29,551**	**54,802**	**294,117**	**26,347**	**69,202**	**-**
Cost Of Sales									
Beverage Cost	541,077	24,827	123,082	24,007	44,015	244,543	21,479	59,125	-
Tobacco Cost	5,134	-	1,611	199	701	2,624	-	-	-
Total Cost Of Goods Sold	**546,212**	**24,827**	**124,693**	**24,206**	**44,716**	**247,167**	**21,479**	**59,125**	**-**
Gross Profit or (Loss)	**105,130**	**4,526**	**23,277**	**5,345**	**10,087**	**46,950**	**4,868**	**10,077**	**-**
GP Margin (after incentive)	**16.14%**	**15.42%**	**15.73%**	**18.09%**	**18.41%**	**15.96%**	**18.48%**	**14.56%**	**0.00%**
Other Income (Room Rental & Sponsorship)	22,802	37	57	15	3	96	6	22,589	-
Total Revenue	**127,932**	**4,563**	**23,334**	**5,360**	**10,090**	**47,047**	**4,874**	**32,665**	**-**
Salaries, Wages & Benefits	115,330	7,296	16,591	3,012	20,416	22,377	8,432	-	37,207
Casual & Contract Labour	42,505	-	8,334	1,736	774	12,141	3,212	15,535	774
Other Expenses (Pay Tv, Upkeep & Utilities)	21,343	377	1,578	280	1,679	3,464	1,512	7,339	5,114
Contract : Music And Entertainer	22,450	-	-	-	14,750	800	6,100	800	-
Total Expenses	**201,628**	**7,673**	**26,503**	**5,028**	**37,618**	**38,782**	**19,256**	**23,673**	**43,095**
Departmental Profit / (Loss)	**(73,696)**	**(3,110)**	**(3,169)**	**333**	**(27,529)**	**8,264**	**(14,382)**	**8,992**	**(43,095)**

Most bar outlets losing money on a fully loaded cost basis

YTD (JUL'25 - AUG'26) 14 MONTHS	Food & Beverage (All)	Cellar Bar	Long Bar	Hash Bar	Cocktail Lounge	Pavilion Bar	Oval Bar	Banquet	F&B Admin	Coffee House	Kitchen
Sales From Food & Beverage											
Food Revenue	702,034	5,601	210	-	-	123,987	6,994	191,548	-	373,693	-
Beverage Revenue	8,367,081	397,315	1,916,875	387,525	698,530	3,705,561	295,326	836,470	-	129,479	-
Tobacco Revenue	91,754	-	35,531	3,639	10,893	41,690	-	-	-	-	-
Other F&B Income (Audio & Corkage)	311,246	5,910	30,915	13,860	28,200	99,716	15,149	107,373	-	10,123	-
Incentives Breweries	565,388	24,448	117,952	23,846	42,983	286,516	18,172	51,471	-	-	-
Total Sales From Food & Beverage	**10,037,503**	**433,274**	**2,101,484**	**428,870**	**780,606**	**4,257,470**	**335,642**	**1,186,862**	**-**	**513,295**	**-**
Cost Of Sales											
Food Cost	306,406	4,454	5,286	75	2,055	6,847	3,048	2,145	-	282,497	-
Beverage Cost	7,509,414	356,588	1,720,386	347,802	626,927	3,325,723	265,054	750,728	-	116,206	-
Tobacco Cost	81,599	-	32,146	3,182	9,545	36,726	-	-	-	-	-
Total Cost Of Goods Sold	**7,897,419**	**361,042**	**1,757,818**	**351,059**	**638,527**	**3,369,295**	**268,102**	**752,873**	**-**	**398,704**	**-**
Gross Profit or (Loss)	**2,140,084**	**72,233**	**343,666**	**77,811**	**142,079**	**888,175**	**67,540**	**433,989**	**-**	**114,591**	**-**
GP Margin (after incentive)	**21%**	**17%**	**16%**	**18%**	**18%**	**21%**	**20%**	**37%**	**0%**	**22%**	
Other Income (Room Rental & Sponsorship)	530,402	1,402	954	1,002	45	2,026	2,880	508,109	13,141	843	-
Total Revenue	**2,670,485**	**73,635**	**344,620**	**78,813**	**142,124**	**890,201**	**70,420**	**942,098**	**13,141**	**115,434**	**-**
Salaries, Wages & Benefits	1,910,919	126,295	219,534	42,243	220,599	278,815	116,351	-	541,322	63,528	302,232
Casual & Contract Labour	252,538	2,298	57,223	22,693	9,276	43,050	11,940	70,265	25,329	10,464	-
Other Expenses (Band, Pay Tv, Bar Supplies)	490,413	5,479	17,955	3,920	19,401	34,647	13,647	143,544	124,560	48,472	78,787
Contract : Music And Entertainer	259,590	5,040	14,450	-	177,800	1,800	30,650	29,850	-	-	-
Total Expenses	**2,913,460**	**139,112**	**309,163**	**68,856**	**427,076**	**358,312**	**172,588**	**243,659**	**691,212**	**122,463**	**381,019**
Departmental Profit / (Loss)	**(242,974)**	**(65,478)**	**35,457**	**9,957**	**(284,952)**	**531,889**	**(102,168)**	**698,439**	**(678,071)**	**(7,029)**	**(381,019)**

Effective Tracking of Draft Beer Losses From the Various Bar outlets

Findings

- Poor control on Draft beers in the past. No tracking and quantification was done . Effective July 2026 onwards proactive monthly tracking of draft beer stock losses by Finance team .
- Loss in the month of July 26 was RM 13,212. (loss 9%) and Aug-26 RM 8,452 (loss 4%) across all bar outlets
- Loss is attributable to foaming and spoilt beer (stale after 3 days) from slow moving brands but could also be pilferage and non billings

Actions Initiated

- High percentage loss for some brands not acceptable as overall margin on beer is about 10% only. This type of % loss erodes beer margins . For slow moving brands bottle beers are introduced . Monthly reporting and oversight by Finance. Management and bar captains are accountable for bar losses

ITEMS	Month Jul-26 QUANTIFIED LOSS (RM)	Month Jul-26 LOSS (%) OF SALES	Month Aug-26 QUANTIFIED LOSS (RM)	Month Aug-26 LOSS (%) OF SALES
Long Bar				
Carslberg Draught (30l=90mugs)	1,248	10%	143	1%
Tiger Draught (30l=90mugs)	1,415	8%	193	1%
Kronenbourg Draught (10l=30mugs)	89	7%	310	31%
Guiness Draught (25l=76mugs)	652	15%	370	71%
Heineken Draught (20l=60mugs)	1,010	26%	1,220	24%
Paulaner Draught (24l=75mugs)	1,039	44%	231	5%
TOTAL	5,452	12%	2,467	4%
Note : Paulaner agree to give 1 new barrel for 1 spoil barrel				
Cocktail Lounge				
Tiger Draught (30l=90mugs)	798	13%	689	18%
Carslberg Draught (30l=90mugs)			131	7%
TOTAL	798	13%	820	7%
Hash Bar				
Carslberg Draught (30l=90mugs)	166	3%	273	4%
Tiger Draught (30l=90mugs)	967	53%	689	68%
TOTAL	1,134	16%	552	8%

ITEMS	Month Jul-26 QUANTIFIED LOSS (RM)	Month Jul-26 LOSS (%) OF SALES	Month Aug-26 QUANTIFIED LOSS (RM)	Month Aug-26 LOSS (%) OF SALES
Cellar bar				
Tiger Draught (30l=90mugs)	629	22%	na	na
TOTAL	629	22%		
Oval Bar				
Carslberg Draught (30l=90mugs)	na	na	416	17%
Tiger Draught (30l=90mugs)	na	na	484	11%
Total			900	13%
Pavilion Bar				
Carslberg Draught (30l=90mugs)	357	2%	654	3%
Tiger Draught (30l=90mugs)	1,680	3%	1,076	2%
Kronenbourg Draught (10l=30mugs)	561	42%	207	25%
Guiness Draught (25l=76mugs)	555	6%	485	6%
Heineken Draught (20l=60mugs)	505	22%	418	22%
Sapporo draught (10l=30mugs)	200	21%	272	10%
Connor Draught (10l=30mugs)	822	72%	110	30%
Paulaner Draught (24l=75mugs)	519	7%	492	6%
TOTAL	5,199	6%	3,714	3%
TOTAL. LOSS ACROSS ALL BARS	13,212	9%	8,452	4%