
Penrith RSL Club Limited

ACN 000 995 568

Summary Financial Statement 31 December 2016

The financial statements and other specific disclosures have been derived from Penrith RSL Club Limited's (the Company) full financial report for the financial year. Other information included in the summary financial report is consistent with the Company's full financial report.

The summary financial statement do not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial report.

A copy of the Company's 2016 Annual Financial Report, including the independent audit report, is available to all members and will be sent to members without charge upon request.

Penrith RSL Club Limited

Directors' Report

Directors

The directors present their report together with the financial statements of Penrith RSL Club Limited (the company) for the year ended 31 December 2016.

The directors of the company in office at any time during or since the end of the financial year are:

Director	Position	Date of Appointment/Resignation
Frank Portelli	Chairman	24 September 2012
Neville Barnier	Chairman (Former)	Resigned - 23 May 2016
Steve Hauer	Deputy Chair	24 March 2002
Bernard Atkinson	Director	28 February 2011
Jennifer May	Director	18 April 2010
Steve Jose	Director	24 March 2014
Del Gaudry	Director	25 May 2014
Maralyn Kastel	Director	25 May 2014
Michael McConnell	Director	Appointed - 23 May 2016

Directors' meetings

The number of meetings of the company's Board of Directors (the Board) held during the year ended 31 December 2016, and the number of meetings attended by each director were:

Director	Number of meetings attended	Number of meetings held **
Frank Portelli	14	14
Neville Barnier	4	4
Steve Hauer	12	14
Bernard Atkinson	11	14
Jennifer May	10	14
Steve Jose	13	14
Del Gaudry	10	14
Maralyn Kastel	13	14
Michael McConnell	9	10

** Number of meetings held where each Director was entitled to attend during the time they held office throughout the year.

Penrith RSL Club Limited
 Directors' Report (continued)

Committee meetings

The number of committee meetings the company's Board of Directors (the Board) held during the year ended 31 December 2016 and the number of committee meetings attended by each director were:

COMMITTEE MEETINGS

	Disciplinary Committee	Audit & Risk Committee	Youth & Community Engagement Committee	Governance, Compensation & Nomination Committee	Members Services Committee	Other Committees
Number of Meetings Held						
Director						
Frank Portelli	2	-	2	1	-	13
Neville Barnier	1	-	1	1	-	6
Steve Hauer	3	2	-	3	1	6
Bernard Atkinson	2	2	-	3	-	11
Jennifer May	-	1	1	-	1	1
Steve Jose	1	2	1	-	1	2
Del Gaudry	2	-	3	-	-	1
Maralyn Kastel	5	-	-	3	-	6
Michael McConnell	3	-	-	-	-	2

Membership

The company is a company limited by guarantee and is without share capital. The number of members as at 31 December 2016 was \$35,607 (2015: \$36,685).

Members' limited liability

In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$4 per member in the event of the winding up of the company during the time that he/she is a member or within one year thereafter. The total members' limited liability is \$142,428 (2015: \$146,740).

Penrith RSL Club Limited

Directors' Report (continued)

Operating Result

The table below shows a reconciliation of Penrith RSL Limited earnings before interest, income tax, depreciation, amortisation and impairment losses. This is referred to as EBITDA.

	2016	2015
	\$	\$
Net profit after income tax expense attributable to members	1,294,009	1,438,432
Add back:		
Depreciation and amortisation expense	2,129,187	2,193,616
Finance cost	537,604	575,861
Income tax expense	344,472	191,857
EBITDA	<u>4,305,272</u>	<u>4,399,766</u>

Short term and long term objectives

The Club aims to provide a safe community friendly social Club for the wider Penrith community whilst upholding the RSL traditions.

Long term objectives

The Club's long term objectives are to be a continually growing community focused RSL Club that offers a diverse range of excellent services and activities in a safe and friendly environment.

Strategy for achieving the objectives

The Club conducts regular strategic review of its operation and undertakes a number of strategic actions to achieve these objectives, such as:

- Attracting increased number of families and young people as members by providing diversified activities.
- Continually supporting the local community.
- Increasing member satisfaction by communication and actioning feedback.
- Continually developing quality facilities for the benefit of members. Continued investment in our employees by providing continual support and training.

Principal activities

The principal activities of the company during the year have continued to be that of licensed RSL Club, entailing the provision of food, beverages and entertainment facilities.

Penrith RSL Club Limited

Directors' Report (continued)

Performance measurement and key performance indicators

The Club's performance is measured in both financial and non-financial terms.

The financial performance of the Club is measured against the annual budget, previous year's results and benchmark data from the Club Industry.

Key financial performance indicators include:

- Earnings before Interest, Taxation, Depreciation, Amortisation, Rent and Donations (EBITDARD)
- Gross Profit percentages
- Wage percentages to income
- Cash Flow

In addition, non-financial performance measures include:

- Members' feedback
- Market research via surveys
- Patronage numbers
- Member renewals
- New member numbers

Penrith RSL Club Limited
Directors' Report (continued)

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 7.

Signed in accordance with a resolution of the directors.

Dated at Penrith this 27 day of March 2017.

Frank Portelli
Chairman

DECLARATION OF INDEPENDENCE BY PAUL CHEESEMAN TO THE DIRECTORS OF PENRITH RSL CLUB LIMITED

As lead auditor of Penrith RSL Club Limited for the year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Paul Cheeseman

Partner

BDO East Coast Partnership

Sydney, 27 March 2017

Penrith RSL Club Limited

Summary Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2016

	2016 \$	2015 \$
Revenue		
Sale of goods	3,680,552	3,740,545
Rendering of services	15,196,625	14,954,307
Other revenue	962,005	988,509
	<hr/>	<hr/>
Total revenue	19,839,182	19,683,361
	<hr/>	<hr/>
Expenses		
Raw materials/consumables	(1,264,702)	(1,221,907)
Employee benefits expense	(4,635,026)	(4,505,914)
Entertainment, marketing and promotional expenses	(2,999,714)	(2,841,811)
Poker machine licences and taxes	(3,273,878)	(3,266,663)
Repairs and maintenance expenses	(585,947)	(630,578)
Depreciation and amortisation expense	(2,129,187)	(2,193,616)
Finance costs	(537,604)	(575,861)
Donations	(379,064)	(335,492)
Loss on disposal of fixed assets	(30,190)	(150,174)
Insurance expenses	(116,287)	(105,383)
Occupancy expense	(1,009,491)	(1,062,868)
Security expenses	(249,844)	(287,313)
Other expenses	(989,767)	(875,492)
	<hr/>	<hr/>
	(18,200,701)	(18,053,072)
	<hr/>	<hr/>
Profit before income tax	1,638,481	1,630,289
Income tax expense	(344,472)	(191,857)
	<hr/>	<hr/>
Net profit after income tax expense attributable to members	1,294,009	1,438,432
	<hr/>	<hr/>
Other comprehensive income		
Other comprehensive income for the year, net of tax	-	-
	<hr/>	<hr/>
Total comprehensive income for the year attributable to members	<u>1,294,009</u>	<u>1,438,432</u>

The Summary Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the discussion and analysis on page 12 and the notes to the summary financial statements set out on page 13.

Penrith RSL Club Limited
 Summary Statement of Financial Position
 As at 31 December 2016

ASSETS	2016 \$	2015 \$
Current Assets		
Cash and cash equivalents	1,160,947	1,031,547
Trade and other receivables	200,810	183,642
Inventories	298,429	234,487
Other current assets	78,811	104,605
Other financial assets	110,000	21,083
Total Current Assets	1,848,997	1,575,364
Non-Current Assets		
Property, plant and equipment	45,717,561	44,350,075
Investment property	8,223,423	8,311,155
Other financial assets	490,000	-
Deferred tax assets	51,165	42,004
Total Non-Current Assets	54,482,149	52,703,234
Total Assets	56,331,146	54,278,598
LIABILITIES		
Current Liabilities		
Trade and other payables	1,849,391	1,237,140
Financial liabilities	1,538,825	1,630,606
Current tax liabilities	164,062	277,680
Employee benefits	739,938	691,202
Other liabilities	207,784	119,893
Total Current Liabilities	4,500,000	3,956,521
Non-Current Liabilities		
Financial liabilities	9,200,000	8,958,825
Employee benefits	46,364	44,940
Deferred tax liabilities	234,581	205,705
Other liabilities	72,465	128,880
Total Non-Current Liabilities	9,553,410	9,338,350
Total Liabilities	14,053,410	13,294,871
Net Assets	42,277,736	40,983,727
Members' Funds		
Reserves	3,605,060	3,605,060
Retained profits	38,672,676	37,378,667
Total Members' Fund	42,277,736	40,983,727

The Summary Statement of Financial Position is to be read in conjunction with the discussion and analysis on page 12 and the notes to the summary financial statements set out on page 13.

Penrith RSL Club Limited
Summary Statement of Changes in Equity
For the Year Ended 31 December 2016

	Retained Earnings	Reserves	Total Equity
	\$	\$	\$
Balance at 1 January 2015	35,940,235	3,605,060	39,545,296
Net profit for the year after income tax	1,438,432	-	1,438,432
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	1,438,432	-	1,438,432
Balance at 31 December 2015	37,378,667	3,605,060	40,983,727
Net profit for the year after income tax	1,294,009	-	1,294,009
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	1,294,009	-	1,294,009
Balance at 31 December 2016	38,672,676	3,605,060	42,277,736

The Summary Statement of Changes in Equity is to be read in conjunction with the discussion and analysis on page 12 and the notes to the summary financial statements set out on page 13.

Penrith RSL Club Limited
Summary Statement of Cash Flows
For the Year Ended 31 December 2016

	2016	2015
	\$	\$
Cash Flows From Operating Activities		
Receipts from customers	20,779,203	20,647,373
Payments to suppliers and employees	(17,442,138)	(17,172,657)
Rent received	1,056,510	1,071,699
Interest received	1,541	14,237
Finance costs paid	(537,604)	(575,861)
Income taxes	(438,375)	(157,000)
	<hr/>	<hr/>
Net cash inflow from operating activities	3,419,137	3,827,791
	<hr/>	<hr/>
Cash Flows From Investing Activities		
Payment for property, plant and equipment	(3,508,404)	(1,291,763)
Proceeds from sale of property, plant and equipment	107,609	160,206
Payment for investment properties	(38,336)	(2,010,473)
	<hr/>	<hr/>
Net cash outflow from investing activities	(3,439,131)	(3,142,030)
	<hr/>	<hr/>
Cash Flows From Financing Activities		
Proceeds from borrowings	1,780,000	2,000,000
Repayments of borrowings	(1,500,000)	(2,530,000)
Finance lease payments	(130,606)	(158,793)
	<hr/>	<hr/>
Net cash inflow/(outflow) from financing activities	149,394	(688,793)
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	129,400	(3,032)
	<hr/>	<hr/>
Cash and cash equivalents at the beginning of the financial year	1,031,547	1,034,579
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	1,160,947	1,031,547
	<hr/>	<hr/>

The Summary Statement of Cash Flows is to be read in conjunction with the discussion and analysis on page 12 and the notes to the summary financial statements set out on page 13.

Penrith RSL Club Limited

Discussion and Analysis

Summary Statement of Profit or Loss and Other Comprehensive Income

The total revenue has increased by \$155,821 (1%) since the prior year whilst expenses including depreciation have increased by \$147,629 (1%) resulting in a net profit before tax of \$1,638,481 compared to \$1,630,289 net profit for the previous year, an increase of \$8,192 (1%).

Individual items that impacted the 2016 result were:

- Revenue from sale of goods (bar sales) decreased by \$59,993 (2%)
- Revenue from rendering of services increased by \$342,318 (2%) mainly due to increased entertainment and promotions revenue of \$268,777 (18%)
- Interest received income decreased by \$12,696 (89%)
- Rental income decreased by \$13,808 (1%)
- Cost of sales increased by \$42,795 (4%)
- Poker machine licenses and taxes increased by \$7,215 (0.5%)
- Employee benefits expenses increased by \$129,112 (3%)
- Occupancy expenses decreased by \$53,377 (5%)
- Depreciation and amortisation expenses increased by \$64,426 (3%)
- Other expenses increased by \$114,275 (13%)

Summary Statement of Financial Position

The entity's net assets have increased by \$1,294,009 or 3% since the previous year consisting of an increase in total assets of \$2,052,548 and an increase of \$758,539 in total liabilities.

The increase in total assets is primarily due to a decrease in investment property of \$87,732 and an increase in property plant and equipment of \$1,367,486.

The increase in total liabilities is primarily due to an increase in trade and other payables of \$612,251, an increase to financial liabilities of \$149,394 and a decrease in current tax liabilities of \$113,618.

Summary Statement of Cash Flows

Operating activities received net cash of \$3,419,137 a decrease of \$408,654 when compared to the previous year.

Cash used in investing activities of \$3,439,131 related to payments for property, plant and equipment, proceeds from sale of property, plant and equipment, and payment for investing properties.

Cash used for financing activities was \$149,394, an increase of \$838,187 from the previous year.

The above factors resulted in an overall increase of \$129,400 in cash held compared with last year's decrease of \$3,032.

Cash and cash equivalents at year end was \$1,160,947 compared to \$1,031,547 for the prior year.

Notes to the Summary Financial Statements For the Year Ended 31 December 2016

1 Summary of Significant Accounting Policies

Basis of Preparation of the Summary Financial Statements

The Summary Financial Statements have been prepared from the audited financial report of Penrith RSL Club Limited for the year ended 31 December 2016. The audited report for the year ended 31 December 2016 is available at request from Penrith RSL Club.

The financial statements are presented in Australian dollars which is the entity's functional and presentational currency.

The financial statements, specific disclosures and other information included in the summary financial statements have been derived from and are consistent with the full financial statements of Penrith RSL Club Limited as the full financial report.

The summary financial statements do not, and cannot be expected to, provide a detailed understanding of the financial performance, financial position and financing and investing activities of Penrith RSL Limited as the full financial report.

The accounting policies have been consistently applied to Penrith RSL Club Limited and are consistent with those of the financial year in their entirety.

Penrith RSL Club Limited

Directors' Declaration

The directors of Penrith RSL Club Limited declare that the summary financial statements for the financial year ended 31 December 2016, as set out on pages 8 to 13:

- (a) complies with the accounting policies disclosed in Note 1; and
- (b) is an extract from the full financial report for the year ended 31 December 2016 and has been derived from and is consistent with the full financial report of the entity.

This declaration is made in accordance with a resolution of the Board of Directors.

Dated at Penrith this 27 day of March 2017

Frank Portelli
Chairman