
Penrith RSL Club Limited
ABN 58 000 995 568

Annual Financial Report
31 December 2020

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

The summary financial statements 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 Company as the full financial report.

A copy of the Company’s 2020 full 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 2020.

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

Name	Position	Date of Appointment
Frank Portelli	Chairman	24 September 2012
Jennifer May	Deputy Chair	18 April 2010
Del Gaudry	Deputy Chair	25 May 2014 *
Steve Hauer	Director	24 March 2002
Stephen Jose	Director	24 March 2014
Maralyn Kastel	Director	25 May 2014
Michael McConnell	Director	23 May 2016*
Glenda Cartwright	Director	2 May 2019

* Del Gaudry resigned as a Director during the year on 24 August 2020.

* Michael McConnell resigned as a Director on 2 March 2021.

Directors' meetings

The number of meetings of the company's Board of Directors (the Board) held during the year ended 31 December 2020 and the number of meetings attended by each director were:

Director	BOARD MEETING	
	Number of Meetings Attended	Number of Meetings Held *
Frank Portelli	12	12
Jennifer May	11	12
Del Gaudry	7	8
Steve Hauer	11	12
Stephen Jose	12	12
Maralyn Kastel	11	12
Michael McConnell	12	12
Glenda Cartwright	11	12

* 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

Membership

The company is a company Limited by guarantee and is without share capital. The number of members as at 31 December 2020 was 29,755 (2019: 34,639).

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 \$119,020 (2019: \$138,556).

Operating result

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

	2020 \$	2019 \$
Net profit after income tax expense attributable to members	2,837,933	3,585,301
Add back:		
Depreciation and amortisation expense	2,625,022	2,289,881
Finance cost	18,807	255,131
Income tax expense	170,575	129,600
	<hr/>	<hr/>
EBITDA	5,652,337	6,259,780
	<hr/> <hr/>	<hr/> <hr/>

Penrith RSL Club Limited

Directors' Report

Objectives

Short term

The Club aims to provide a safe community friendly social Club for the wider Penrith community in alignment with the Club's constitutional charter.

Long term

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 reviews 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; and
- 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 a licensed RSL Club, entailing the provision of food, beverages and entertainment facilities.

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
- Community engagement and contributions paid

Penrith RSL Club Limited

Directors' Report

Coronavirus (COVID-19) pandemic

On 11 March 2020, the World Health Organisation (WHO) classified the COVID-19 as a pandemic. From 23 March 2020 to 1 June 2020, there was a public health directive to cease operations for the registered club. Since health directives were eased on 1 June 2020, the company has seen a positive increase in sales and expects to see a similar trend as at the date of this report. Management is actively monitoring the global situation and its impact on the company's financial condition, liquidity, operations, suppliers, industry and workforce. The full impact of the COVID-19 outbreak continues to evolve at the date of this report. Given the uncertainty around the full impact of the COVID-19 outbreak, the company is not able to estimate the effects of the COVID-19 outbreak on its operating results, financial condition, or liquidity for the 2021 financial year.

Signed in accordance with a resolution of the directors.

Dated at Penrith this 22nd March 2021



Frank Portelli
Chairman

Summary Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2020

	2020 \$	2019 \$
Income		
Sale of goods	1,665,581	3,448,236
Rendering of services	14,903,056	17,558,356
Other income	2,051,552	2,507,132
	<hr/>	<hr/>
Total revenue and other income	18,620,189	23,513,724
	<hr/>	<hr/>
Expenses		
Raw materials and consumables	(524,813)	(1,150,012)
Employee benefits expense	(4,471,701)	(4,843,874)
Entertainment, marketing and promotional expenses	(2,054,247)	(3,466,259)
Poker machine licences and taxes	(3,318,994)	(3,878,481)
Repairs and maintenance expenses	(471,126)	(638,224)
Depreciation and amortisation expense	(2,625,022)	(2,289,881)
Finance costs	(18,807)	(255,131)
Donations	(287,720)	(327,756)
Insurance expenses	(141,007)	(139,405)
Occupancy expenses	(923,186)	(1,207,240)
Security expenses	(147,456)	(223,344)
Other expenses	(627,542)	(1,059,167)
	<hr/>	<hr/>
Total expenses	(15,611,621)	(19,478,774)
	<hr/>	<hr/>
Profit before income tax	3,008,568	4,034,950
Income tax expense	(170,575)	(129,600)
	<hr/>	<hr/>
Net profit after income tax expense	2,837,993	3,905,289
	<hr/>	<hr/>
Other comprehensive income		
Other comprehensive income for the year, net of tax	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	2,837,993	3,905,289
	<hr/>	<hr/>

The Summary Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the discussion and analysis on page 10 and notes to the summary financial statements on page 11.

Penrith RSL Club Limited
Summary Statement of Financial Position
As at 31 December 2020

ASSETS	2020	2019
	\$	\$
Current Assets		
Cash and cash equivalents	8,336,411	3,263,127
Trade and other receivables	194,807	250,412
Inventories	235,411	223,142
Prepayments	180,634	22,248
Current Tax Asset	118,333	-
Other financial assets	120,000	120,000
Total Current Assets	9,185,596	3,878,929
Non-Current Asset		
Other financial assets	40,000	130,000
Property, plant and equipment	40,955,744	42,938,037
Investment property	5,201,348	5,248,305
Right to use assets	77,043	8,654
Intangible assets	2,524,000	2,524,000
Deferred tax assets	27,720	27,531
Total Non-Current Assets	48,825,855	50,876,526
Total Assets	58,011,451	54,755,455
LIABILITIES		
Current Liabilities		
Trade and other payables	2,029,921	1,648,045
Current tax liabilities	-	38,147
Employee benefits	812,569	698,794
Lease liability	14,940	40,746
Income received in advance	106,552	115,238
Total Current Liabilities	2,963,982	2,540,969
Non-Current Liabilities		
Financial liabilities	1,350,000	1,350,000
Employee benefits	97,039	121,003
Deferred tax liabilities	104,817	121,066
Lease Liability	76,936	
Income received in advance	80,992	122,724
Total Non-Current Liabilities	1,709,784	1,714,793
Total Liabilities	4,673,766	4,255,762
Net Assets	53,337,685	50,499,692
Members' Funds		
Retained profits	53,337,685	50,499,692
Total Members' Funds	53,337,685	50,499,692

The Statement of Financial Position should be read in conjunction with the discussion and analysis on page 10 and notes to the summary financial statements on page 11.

Penrith RSL Club Limited

Statement of Changes in Members' Fund
For the Year Ended 31 December 2020

	Retained Earnings \$	Total Equity \$
Balance at 1 January 2019	46,594,403	46,594,403
Net profit for the year after income tax	3,905,289	3,905,289
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	3,905,289	3,905,289
Balance at 31 December 2019	50,499,692	50,499,692
Net profit for the year after income tax	2,837,993	2,837,993
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	2,837,993	2,837,993
Balance at 31 December 2020	53,337,685	53,337,685

The Statement of Changes in Members' Fund should be read in conjunction with the discussion and analysis on page 10 and notes to the summary financial statements on page 11.

Penrith RSL Club Limited
Statement of Cash Flows
For the Year Ended 31 December 2020

	2020 \$	2019 \$
Cash Flows From Operating Activities		
Receipts from customers (inclusive of GST)	18,320,689	23,142,269
Payments to suppliers and employees (inclusive of GST)	(14,455,250)	(19,126,051)
Receipts from government grants	1,447,000	-
Rent received	641,565	1,133,539
Interest received	21,311	243
Finance costs paid	(18,807)	(255,131)
Income tax paid, net of refund	(300,194)	(156,700)
	<hr/>	<hr/>
Net cash inflow from operating activities	5,656,314	4,738,169
	<hr/>	<hr/>
Cash Flows From Investing Activities		
Payment for property, plant and equipment	(588,518)	(1,535,575)
Proceeds from sale of plant and equipment	-	4,099
Payment for investment properties	(33,744)	(86,909)
Payment for intangible assets	-	(320,000)
Proceeds from sale of Investment property	-	5,300,000
	<hr/>	<hr/>
Net cash (used in) / from investing activities	(622,262)	3,361,615
	<hr/>	<hr/>
Cash Flows From Financing Activities		
Proceeds from borrowings	-	700,000
Repayments of borrowings	-	(6,644,910)
Net proceeds / (repayment) of lease liability	39,232	(17,256)
	<hr/>	<hr/>
Net cash outflow from / (used in) financing activities	39,232	(5,962,166)
	<hr/>	<hr/>
Net increase in cash and cash equivalents	5,073,284	2,137,618
Cash and cash equivalents at the beginning of the financial year	3,263,127	1,125,509
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	8,336,411	3,263,127
	<hr/>	<hr/>

The Statement of Cash Flows should be read in conjunction with the discussion and analysis on page 10 and notes to the summary financial statements on page 11.

Notes to the Financial Statements For the Year Ended 31 December 2020 Discussion and Analysis

Statement of Profit or Loss and Other Comprehensive Income

The revenue has decreased by \$4,893,535 (21%) since the prior year and expenses including depreciation have decreased \$3,867,153 (20%) resulting in a net profit before tax of \$3,008,568 compared to \$4,034,949 net profit for the previous year, an decrease of \$1,026,381 (25%).

Individual items that have impacted the result include:

- Revenue from sale of goods (bar and catering sales) decreased by \$1,782,655 (52%)
- Raw material and consumable decreased by \$625,199 (54%)
- Revenue from rendering of services decreased by \$2,655,300 (15%) mainly due to the decreased poker machine - net clearances revenue of \$2,262,014 (14%)
- Rental income decreased by \$447,249 (43%)
- Other income decreased slightly \$455,580 (18%) resulted due to increase in government grants of \$1,447,000 and decrease in gain on sale of property \$1,476,399.
- Entertainment, marketing and promotional expenses decreased by \$1,412,012 (41%)
- Employee benefits expenses decreased by \$372,173 (8%)
- Depreciation and amortisation expenses increased by \$335,141 (15%)
- Finance costs decreased by \$236,324 (93%)
- Occupancy expenses decreased by \$284,054 (24%)
- Other expenses decreased by \$431,625 (41%)

Statement of Financial Position

The company's net assets have increased by \$2,873,993 or 6% since the previous year consisting of an increase in total assets of \$3,255,996 (6%) and increase of \$418,002 (10%) in total liabilities.

The increase in net assets for the year is mainly attributed to:

- Increase in cash and cash equivalents of \$5,073,284 (155%)
- Decrease in property, plant and equipment of \$1,982,293 mainly due to the depreciation expense
- Increase in trade and other payables of \$381,876

Cash Flow Statement

Operating activities provided net cash of \$5,656,314, an increase of \$918,145 compared to the previous year.

Net cash used in investing activities was \$622,262 related mainly to payments for property, plant and equipment and investment properties.

Net cash received from financing activities was \$39,232, an increase of \$6,001,398 compared to the previous year mainly due to the repayment of loans in the comparative period.

As a result of these cash flows, the net cash held during the year increased by \$5,073,284, compared to the previous year's increase of \$2,137,618.

Cash at year end was \$8,336,411 compared to \$3,263,127 in the prior year.

Coronavirus (COVID-19) pandemic

During the financial year, the World Health Organisation (WHO) announced a global health emergency because of the new strain of coronavirus outbreak (COVID-19) and the risks to the international community as the virus spread globally beyond its point of origin. Because of the rapid increase in exposure globally, on 11 March 2020, the WHO classified the COVID-19 outbreak as a pandemic.

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

1 Summary of Significant Accounting Policies

The Summary Financial Statements have been prepared from the audited financial report of Penrith RSL Club Limited for the year ended 31 December 2020. The audited report for the year ended 31 December 2020 is available at request from Penrith RSL Club Limited.

The financial statements are presented in Australian dollars which is the entity's functional and presentation 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 for the financial year.

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 Club Limited as the full financial report.

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

Penrith RSL Club Limited

Directors' Declaration

The directors of Penrith RSL Club Limited declare that the summary financial statements of the company for the financial year ended 31 December 2020, as set out on pages 6 to 11:

- (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 2020 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.



Frank Portelli
Chairman

Dated at Penrith this 22nd day of March 2021

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the members of Penrith RSL Club Limited

Opinion

The summary financial statements of Penrith RSL Club Limited (the Company), which comprise the summary statement of financial position as at 31 December 2020, the summary statement of profit or loss and other comprehensive income, summary statement of changes in equity and summary statement of cash flows for the year then ended, and related notes, are derived from the audited financial report of the Company for the year ended 31 December 2020. We expressed an unmodified audit opinion on that financial report in our report dated 22 March 2021.

In our opinion, the summary financial statements for the Company derived from the audited financial report of Penrith RSL Club Limited for the year ended 31 December 2020 are consistent, in all material respects, with the audited financial report, on the basis described in Note 1.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial report and the auditor's report thereon.

Directors' Responsibility for the Summary Financial Statements

The Directors' are responsible for the preparation of the summary financial statements in accordance with the basis described in Note 1.

Auditor's responsibilities for the audit of the Financial Report

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial report based on our procedures, which were conducted in accordance with Auditing Standard ASA 810 *Engagements to Report on Summary Financial Statements*.

BDO Audit Pty Ltd



Elysia Rothwell
Director

Sydney, 22 March 2021