
Penrith RSL Club Limited

ABN 58 000 995 568

Annual Financial Report 31 December 2022

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 2022 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 2022.

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
Steve Hauer	Director	24 March 2002
Stephen Jose	Director	24 March 2014
Maralyn Kastel	Director	25 May 2014
Glenda Cartwright	Director	2 May 2018
Gary Scott	Director	13 December 2021
Lesley Ann Smith	Director	28 March 2022
Frank Portelli	Chairman	24 September 2012

Directors' meetings

The number of meetings of the company's Board of Directors (the Board) held during the year ended 31 December 2022 and the number of meetings attended by each director were:

Director	BOARD MEETING	
	Number of Meetings Attended	Number of Meetings Held *
Frank Portelli	13	13
Jennifer May	12	13
Steve Hauer	11	13
Stephen Jose	13	13
Maralyn Kastel	11	13
Glenda Cartwright	13	13
Gary Scott	13	13
Lesley Ann Smith	8	10
Frank Portelli	13	13

* 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 2022 was 29,457 (2021: 28,061).

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 \$117,828 (2021: \$112,244).

Operating result

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

	2022 \$	2021 \$
Net profit after income tax expense attributable to members	6,121,426	2,441,453
Add back;		
Depreciation and amortisation expense	1,970,493	2,322,903
Finance cost	6,501	18,749
Income benefit expense	(111,313)	(425,350)
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EBITDA	7,987,107	4,357,755
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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

Signed in accordance with a resolution of the directors.

Dated at Penrith this 27 March 2023



Frank Portelli
Chairman

Summary Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2022

	2022 \$	2021 \$
Income		
Sale of goods	2,698,030	1,582,625
Rendering of services	20,811,098	12,911,217
Other income	1,010,047	1,074,539
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Total income	24,519,175	15,568,381
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Expenses		
Raw materials and consumables	(827,375)	(526,341)
Employee benefits expense	(4,562,448)	(3,586,146)
Entertainment, marketing and promotional expenses	(2,932,795)	(1,980,847)
Poker machine licences and taxes	(4,807,373)	(2,661,889)
Repairs and maintenance expenses	(531,908)	(416,775)
Depreciation and amortisation expense	(1,970,493)	(2,322,903)
Finance costs	(6,501)	(18,749)
Donations	(394,357)	(235,446)
Insurance expenses	(182,643)	(160,192)
Occupancy expenses	(1,071,439)	(837,586)
Security expenses	(187,863)	(133,471)
Other expenses	(1,033,867)	(671,933)
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Total expenses	(18,509,062)	(13,552,278)
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Profit before income tax	6,010,113	2,016,103
Income tax benefit	111,313	425,350
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Net profit after income tax benefit	6,121,426	2,441,453
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Other comprehensive income		
Other comprehensive income for the year, net of tax	-	-
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Total comprehensive income for the year	6,121,426	2,441,453
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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 10.

Penrith RSL Club Limited

Summary Statement of Financial Position

As at 31 December 2022

ASSETS	2022	2021
	\$	\$
Current Assets		
Cash and cash equivalents	6,158,457	11,390,502
Trade and other receivables	340,742	243,399
Inventories	198,984	187,405
Prepayments	215,684	197,144
Current tax asset	345,119	214,122
Other financial assets	10,001,671	100,000
Total Current Assets	17,260,657	12,332,572
Non-Current Asset		
Other financial assets	40,000	40,000
Property, plant and equipment	39,225,775	39,435,121
Investment property	5,716,758	5,813,470
Right to use assets	52,272	44,039
Intangible assets	2,524,000	2,524,000
Deferred tax assets	30,902	220,952
Total Non-Current Assets	47,589,707	48,077,582
Total Assets	64,850,364	60,410,154
LIABILITIES		
Current Liabilities		
Trade and other payables	1,755,883	2,088,759
Financial liabilities	-	1,350,000
Employee benefits	928,075	852,381
Lease liability	58,928	14,940
Income received in advance	79,076	96,144
Total Current Liabilities	2,821,962	4,402,224
Non-Current Liabilities		
Employee benefits	50,931	98,694
Deferred tax liabilities	1,522	17,112
Lease liability	-	60,826
Income received in advance	75,385	52,160
Total Non-Current Liabilities	127,838	228,792
Total Liabilities	2,949,800	4,631,016
Net Assets	61,900,564	55,779,138
Members' Funds		
Retained profits	61,900,564	55,779,138
Total Members' Funds	61,900,564	55,779,138

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 10.

Penrith RSL Club Limited

Summary Statement of Changes in Members' Fund For the Year Ended 31 December 2022

	Retained Earnings \$	Total Equity \$
Balance at 1 January 2021	53,337,685	53,337,685
Net profit for the year after income tax	2,441,453	2,441,453
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	2,441,453	2,441,453
Balance at 31 December 2021	55,779,138	55,779,138
Net profit for the year after income tax	6,121,426	6,121,426
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	6,121,426	6,121,426
Balance at 31 December 2022	61,900,564	61,900,564

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 10.

Penrith RSL Club Limited

Summary Statement of Cash Flows For the Year Ended 31 December 2022

	2022 \$	2021 \$
Cash Flows From Operating Activities		
Receipts from customers (inclusive of GST)	25,935,855	15,968,814
Payments to suppliers and employees (inclusive of GST)	(19,217,346)	(12,589,359)
Receipts from government grants	-	337,770
Rent received	770,330	680,343
Interest received	172,717	24,855
Finance costs paid	(6,501)	(13,980)
Income tax received	154,077	47,925
Net cash inflow from operating activities	7,809,132	4,456,368
Cash Flows From Investing Activities		
Payment for property, plant and equipment	(1,688,639)	(685,171)
Payment for investment properties	-	(696,227)
Reclassification of cash to term deposits	(10,001,671)	-
Proceeds from sale of property, plant and equipment	15,971	-
Net cash used in investing activities	(11,647,339)	(1,381,398)
Cash Flows From Financing Activities		
Repayments of borrowings	(1,350,000)	-
Repayment of lease liability	(16,838)	(20,879)
Net cash used in financing activities	(1,366,843)	(20,879)
Net (decrease) / increase in cash and cash equivalents	(5,232,045)	3,054,091
Cash and cash equivalents at the beginning of the financial year	11,390,502	8,336,411
Cash and cash equivalents at the end of the financial year	6,158,457	11,390,502

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 10.

Notes to the Summary Financial Statements For the Year Ended 31 December 2022 Discussion and Analysis

Statement of Profit or Loss and Other Comprehensive Income

The club was fully operational in FY 2022 (FY 2021: closed for 106 days) resulting in increase in revenue and other income by \$8,950,794 (57.49%) since the prior year and expenses including depreciation have increased \$4,956,784 (36.58%) resulting in a net profit before tax of \$6,010,113 compared to \$2,016,103 net profit for the previous year, an increase of \$3,994,010 (198.11%).

Individual items that have impacted the result include:

- Revenue from sale of goods (bar and catering sales) increased by \$1,115,405 (70%)
- Raw material and consumable increased by \$301,034 (57%)
- Revenue from rendering of services increased by \$7,899,881 (61%) mainly due to the increased poker machine - net clearances revenue of \$7,241,136 (61.07%)
- Rental income decreased by \$151,836 (24.55%)
- Other income and government grants \$Nil in FY2022 (\$431,190 in FY2021)
- Entertainment, marketing and promotional expenses increased by \$951,948 (48.06%)
- Employee benefits expenses increased by \$976,302 (27.22%)
- Depreciation and amortisation expenses decreased by \$352,410 (15.17%)
- Finance costs decreased by \$12,248 (65.32%)
- Occupancy expenses increased by \$233,853 (27.92%)
- Other expenses increased by \$361,934 (53.86%)

Statement of Financial Position

The company's net assets have increased by \$6,121,426 or 10.97% since the previous year consisting of an increase in total assets of \$4,440,210 (7.35%) and decrease of \$1,681,216 (36.3%) in total liabilities.

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

- Decrease in cash and cash equivalents of \$5,232,045, offset by investment in term deposits (other financial asset) which increased by \$9,901,671.
- Decrease in property, plant and equipment of \$209,346 mainly due to the depreciation expense.

Cash Flow Statement

Operating activities provided net cash of \$7,809,132, increase of \$3,352,764 compared to the previous year.

Net cash used in investing activities was \$11,647,339 related mainly due to the transfer of cash to term deposits during the year.

Net cash used in financing activities was \$1,366,843, an increase of \$1,345,964 compared to the previous year mainly due to the repayment of borrowings in current period.

As a result of these cash flows, the net cash held during the year decreased by \$5,232,045, compared to the previous year's increase of \$3,054,091.

Cash at year end was \$6,158,457 compared to \$11,390,502 in the prior year. The Company also held \$10,001,671 in other financial assets (cash held on deposit) at the reporting date.

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 2022. The audited report for the year ended 31 December 2022 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 2022, 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 2022 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 27th day of March 2023

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 2022, 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 2022. We expressed an unmodified audit opinion on that financial report in our report dated 27 March 2023.

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 2022 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 - Simplified Disclosures 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, 27 March 2023