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## Penrith RSL Club Limited

ABN 58 000 995 568

# Annual Financial Report 31 December 2023

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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 2023 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 2023.

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

<b>Name</b>	<b>Position</b>	<b>Date of Appointment</b>
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

### Directors' meetings

The number of meetings of the company's Board of Directors (the Board) held during the year ended 31 December 2023 and the number of meetings attended by each director were:

<b>Director</b>	<b>BOARD MEETING</b>	
	<b>Number of Meetings Attended</b>	<b>Number of Meetings Held *</b>
Frank Portelli	13	13
Jennifer May	12	13
Steve Hauer	11	13
Stephen Jose	11	13
Maralyn Kastel	11	13
Glenda Cartwright	13	13
Gary Scott	13	13
Lesley Ann Smith	12	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 2023 was 29,474 (2022: 29,457).

### 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 \$117,896 (2022: \$117,828).

### Operating result

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

	2023 \$	2022 \$
Net profit after income tax expense attributable to members	4,258,072	6,121,426
Add back:		
Depreciation and amortisation expense	1,776,752	1,970,493
Finance cost	1,429	6,501
Income tax benefit	(32,492)	(111,313)
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EBITDA	6,003,761	7,987,107
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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 and Amortisation (EBITDA)
- 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 25 March 2024

A handwritten signature in blue ink, appearing to read 'Frank Portelli', with a large, stylized flourish at the end.

Frank Portelli  
Chairman

## Summary Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2023

	2023 \$	2022 \$
<b>Income</b>		
Sale of goods	2,851,156	2,698,030
Rendering of services	19,525,141	20,811,098
Other income	1,377,806	1,010,047
	<hr/>	<hr/>
Total income	23,754,103	24,519,175
<b>Expenses</b>		
Raw materials and consumables	(869,392)	(827,375)
Employee benefits expense	(5,160,840)	(4,562,448)
Entertainment, marketing and promotional expenses	(3,150,996)	(2,932,795)
Poker machine licences and taxes	(4,470,007)	(4,807,373)
Repairs and maintenance expenses	(699,799)	(531,908)
Depreciation and amortisation expense	(1,776,752)	(1,970,493)
Finance costs	(1,429)	(6,501)
Donations	(361,105)	(394,357)
Insurance expenses	(202,806)	(182,643)
Occupancy expenses	(1,289,471)	(1,071,439)
Security expenses	(229,390)	(187,863)
Other expenses	(1,316,537)	(1,033,867)
	<hr/>	<hr/>
Total expenses	(19,528,524)	(18,509,062)
	<hr/>	<hr/>
<b>Profit before income tax</b>	4,225,579	6,010,113
Income tax benefit	32,492	111,313
	<hr/>	<hr/>
<b>Net profit after income tax benefit</b>	4,258,072	6,121,426
	<hr/>	<hr/>
<b>Other comprehensive income</b>		
Other comprehensive income for the year, net of tax	-	-
	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	4,258,072	6,121,426
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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 2023

ASSETS	2023	2022
	\$	\$
<b>Current Assets</b>		
Cash and cash equivalents	15,801,556	6,158,457
Trade and other receivables	561,820	340,742
Inventories	314,938	198,984
Prepayments	223,981	215,684
Current tax asset	325,609	345,119
Other financial assets	2,101,745	10,001,671
<b>Total Current Assets</b>	19,329,649	17,260,657
<b>Non-Current Asset</b>		
Other financial assets	-	40,000
Property, plant and equipment	42,221,880	39,225,775
Investment property	5,621,714	5,716,758
Right to use assets	87,296	52,272
Intangible assets	2,524,000	2,524,000
Deferred tax assets	46,444	30,902
<b>Total Non-Current Assets</b>	50,501,334	47,589,707
<b>Total Assets</b>	69,830,983	64,850,364
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables	2,289,165	1,755,883
Employee benefits	1,044,151	928,075
Lease liability	21,919	58,928
Income received in advance	100,682	79,076
<b>Total Current Liabilities</b>	3,455,917	2,821,962
<b>Non-Current Liabilities</b>		
Employee benefits	69,587	50,931
Deferred tax liabilities	2,540	1,522
Lease liability	72,468	-
Income received in advance	71,835	75,385
<b>Total Non-Current Liabilities</b>	216,430	127,838
<b>Total Liabilities</b>	3,672,347	2,949,800
<b>Net Assets</b>	66,158,636	61,900,564
<b>Members' Funds</b>		
Retained profits	66,158,636	61,900,564
<b>Total Members' Funds</b>	66,158,636	61,900,564

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 2023

	Retained Earnings \$	Total Equity \$
<b>Balance at 1 January 2022</b>	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
<b>Balance at 31 December 2022</b>	61,900,564	61,900,564
Net profit for the year after income tax	4,258,072	4,258,072
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	4,258,072	4,258,072
<b>Balance at 31 December 2023</b>	66,158,636	66,158,636

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 2023

	2023 \$	2022 \$
<b>Cash Flows From Operating Activities</b>		
Receipts from customers (inclusive of GST)	24,451,627	25,935,855
Payments to suppliers and employees (inclusive of GST)	(19,444,211)	(19,217,346)
Rent received	484,549	770,330
Interest received	892,529	172,717
Finance costs paid	(1,429)	(6,501)
Income tax received	37,480	154,077
	<hr/>	<hr/>
<b>Net cash from operating activities</b>	6,420,545	7,809,132
	<hr/>	<hr/>
<b>Cash Flows From Investing Activities</b>		
Payment for property, plant and equipment	(4,646,537)	(1,688,639)
Proceeds from / (investment in) term deposits	7,899,926	(10,001,671)
Proceeds from sale of property, plant and equipment	18	15,971
	<hr/>	<hr/>
<b>Net cash from / (used in) investing activities</b>	3,253,407	(11,647,339)
	<hr/>	<hr/>
<b>Cash Flows From Financing Activities</b>		
Repayments of borrowings	-	(1,350,000)
Repayment of lease liability	(30,853)	(16,838)
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<b>Net cash used in financing activities</b>	(30,853)	(1,366,843)
	<hr/>	<hr/>
<b>Net increase / (decrease) in cash and cash equivalents</b>	9,643,099	(5,232,045)
<b>Cash and cash equivalents at the beginning of the financial year</b>	6,158,457	11,390,502
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<b>Cash and cash equivalents at the end of the financial year</b>	15,801,556	6,158,457
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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 2023 Discussion and Analysis

## Statement of Profit or Loss and Other Comprehensive Income

The club recognised a decrease in revenue and other income by \$765,072 (3.12%) since the prior year and expenses including depreciation have increased \$1,019,462 (5.51%) resulting in a net profit before tax of \$4,225,579 compared to \$6,010,113 net profit for the previous year, a decrease of \$1,784,534 (29.69%).

Individual items that have impacted the result include:

- Revenue from sale of goods (bar and catering sales) increased by \$153,126 (5.67%)
- Raw material and consumable increased by \$42,017 (5.08%)
- Revenue from rendering of services decreased by \$1,285,957 (6.18%) mainly due to the decreased poker machine - net clearances revenue of \$1,221,928 (6.40%)
- Rental income increased by \$122,199 (15.86%)
- Entertainment, marketing and promotional expenses increased by \$218,201 (7.44%)
- Employee benefits expenses Increased by \$598,392 (13.12%)
- Depreciation and amortisation expenses decreased by \$193,741 (9.83%)
- Finance costs decreased by \$5,072 (78.02%)
- Occupancy expenses increased by \$218,032 (20.35%)
- Other expenses increased by \$282,670 (27.34%)

## Statement of Financial Position

The company's net assets have increased by \$4,258,072 or 6.88% since the previous year consisting of an increase in total assets of \$4,980,619 (7.68%) and increase of \$722,547 (24.49%) in total liabilities.

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

- Increase in cash and cash equivalents of \$9,643,099, offset by investment in term deposits (other financial asset) which decreased by \$7,899,926.
- Increase in property, plant and equipment of \$2,996,105.

## Cash Flow Statement

Operating activities provided net cash of \$6,420,545, decrease of \$1,388,587 compared to the previous year.

Net cash provided in investing activities was \$3,253,407 related mainly due to the transfer of term deposits to cash during the year.

Net cash used in financing activities was \$30,853, a decrease of \$1,335,985 compared to the previous year mainly due to the closure of borrowings in previous period.

As a result of these cash flows, the net cash held during the year increased by \$9,643,099, compared to the previous year's decrease by \$5,232,045.

Cash at year end was \$15,801,556 compared to \$6,158,457 in the prior year. The Company also held \$2,101,745 in other financial assets (cash held on deposit) at the reporting date.

## Penrith RSL Club Limited

### 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 2023. The audited report for the year ended 31 December 2023 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 2023, 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 2023 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 25<sup>th</sup> day of March 2024

## 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 2023, 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 2023. We expressed an unmodified audit opinion on that financial report in our report dated 25 March 2024.

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 2023 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. 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

25 March 2024