

Penrith Rugby League Club Limited

# 2014 ANNUAL REPORT

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# CORPORATE INFORMATION



**ACN**  
000 578 398

#### **Directors**

D. Feltis OAM - Chairman  
J. Hiatt OAM - Deputy Chairman  
B. Fletcher - Deputy Chairman  
G. Alexander  
W. Ferguson (Resigned: 27.03.2014)  
J. Geyer  
G. Kennedy (Resigned: 27.03.2014)  
D. Mayne (Appointed: 27.03.2014)  
D. Merrick FCPA | JP  
D. O'Neill  
K. Rhind OAM (Retired: 27.03.2014)  
S. Robinson (Resigned: 30.10.14)  
W. Wheeler (Retired: 27.03.2014)

#### **Registered Office**

Mulgoa Road  
Penrith NSW 2750

#### **Company Secretary**

W Wilson

#### **Bankers**

ANZ

#### **Auditors**

Ernst & Young



# CHAIRMAN'S REPORT



It gives me great pleasure to present the 2014 Penrith Rugby League Club Annual Report.

After several challenging and demanding years, it is satisfying to report that the Group has delivered its intended objectives in 2014 and established a solid platform for future years.

The Group's licensed Clubs and Rugby League operations have enjoyed an outstanding twelve months and there is every indication both will continue to improve as the Group moves through 2015. The Board is confident that the appropriate strategies are being executed that will continue to deliver world class facilities to our members and financial security to the Group. It is anticipated that there will be significant benefits flowing throughout the Group as we deliver major capital works.

One of the main ingredients in the success that has been achieved by the Group is the commitment and expertise of our staff who are one of our most valuable assets. On behalf of the Board I wish to sincerely thank Sue McNeill, Club Managers and all our staff for their continued commitment and hard work, for without their dedication and loyalty we would not have achieved the impressive results that we did for 2014.

The Group has benefitted from strong results from its Registered Clubs operations and the Board is committed to providing the support required to allow management to continue to deliver strong results from the Registered Club operations and has, in conjunction with management, approved various capital works projects across a number of the Clubs which are expected to deliver improved facilities for members.

The re-building of the Rugby League operation under the experienced leadership of Executive General Manager Phil Gould AM over the past 2 years paid significant dividends with Panthers being recognised nationally as the most valuable sporting brand in Australia. Notwithstanding a long and serious injury list, our club still managed to enjoy one of the most successful seasons in its history. Highlights of the 2014 season included:

- Winning the NSW Cup Competition
- A top 4 finish in the NRL – one try away from our 4th grand final
- Outstanding season by the NYC U/20 team
- Grand finalists in both Harold Matthews U/16 and S G Ball U/18 junior representative squads
- Ivan Cleary Dally M coach of the year – thoroughly deserved recognition
- Lewis Brown, Dean Whare and Dallin Watene-Zelezniak

selected for New Zealand

- Josh Mansour and Matt Moylan selected for Australia
- Membership increased to an all-time high of 16,000
- Significant growth in merchandise sales

On behalf of the Board and management I also wish to congratulate Phil Gould AM for his Australia Day honours award.

I acknowledge the very positive relationship Panthers have with OAK our Rugby League major sponsor and I thank all our business partners, sponsors, players, coaches, trainers and all our off field rugby league staff for an outstanding 2014 season.

The appointment of Justin Pascoe as Chief Operating Officer – Rugby League will bring considerable business acumen to the Rugby League operation and will further strengthen and integrate Rugby League into Panthers Group operations.

I extend the Board's best wishes and appreciation to Life Member and Club Doctor Norm Southern, who is leaving after a distinguished professional career with Panthers. I know that everyone involved in Rugby League wishes Norm all the best in the future.

I also acknowledge Steve Robinson who left the Board during 2014 and thank him for the strong support, friendship and commitment he gave to Panthers during the years he was a Director. Steve has a long and distinguished career in Rugby League and was a strong supporter of Rugby League, the players and our club.

Warren Wilson, Group Chief Executive Officer in his CEO's Report comprehensively details the significant volume of achievements in 2014 and outlines what is planned for 2015. We believe that execution of this plan will further cement Panthers reputation and ability to provide first class amenities to our members. On behalf of the Board I acknowledge and thank Warren and his Executive team for the astute and professional manner in which many complex tasks and issues that confronted the Group in 2014 were resolved.

Congratulations are due to Deputy Chairman John Hiatt OAM, Ken Wolfe and Phil Gould who have been recommended for Life Membership by the Board. Both John and Phil have given long and outstanding service to Panthers and Rugby League at a junior and senior level. Ken played 11 successive seasons from 1976 to 1986 and also with Windsor and Riverstone. Ken is currently Honorary Treasurer of the Penrith Ex-Players Association.

Panthers acknowledge the passing of Life Member Ron Mullock AO and the significant contribution he made to Panthers, Rugby League, the community and the City of Penrith. Ron was Patron of Panthers for over 30 years and received Life Membership in 1989. Ron was a regular at all Panthers home games and had the distinction of having the Ron Mullock AO room at Penrith named in his honour.

At the March 2015 Annual General Meeting the Board will be asking members to support changes to the Constitution in regard to Advisory Committees and the election and size of both Football and the Group Boards. The initiatives if passed will enhance best corporate practise and will also conform to the requirements recommended by the NRL, Clubs NSW and changes we anticipate will be required by the NSW Government.

I thank members for returning the Board unopposed at the last election which allowed the Board to continue delivering its strategic mandate and to work closely with management to advance the Group to the secure financial position it currently enjoys.

In conclusion, I assure members that the Board is acutely aware of the responsibility we carry as Directors on behalf of all members and the Board is committed to delivering continuous improvement throughout Rugby League and the Panthers Group.

**DON FELTON OAM**  
Chairman  
Panthers Group

# CHAIRMAN'S REPORT

CONTINUED

# CEO'S REPORT



# CEO'S REPORT

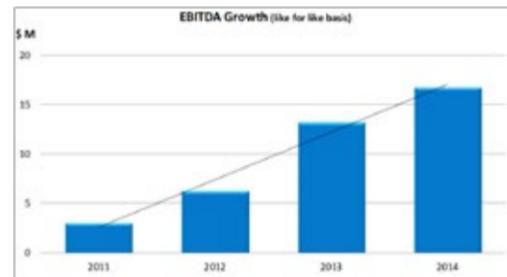
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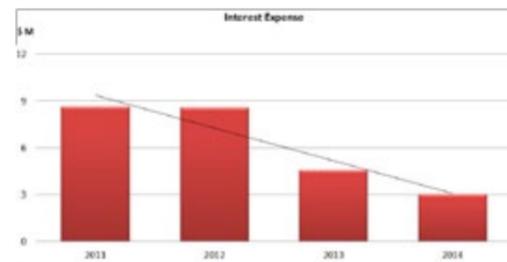
The Panthers Group continued its transformation throughout 2014 in all aspects of its operations. This is the third year of transformation which has seen major changes to our "modus operandi" - all of which are delivering the desired outcomes.

The net profit for 2014 is \$886,000 whilst EBITDA (earnings before interest, tax, depreciation and amortization) or cash earnings for 2014 is \$17,059,000.

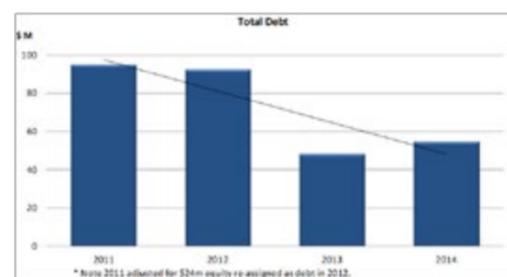
Over the last three years on a "like for like" basis, that is comparing the same Clubs and Rugby League in 2014 against 2011 EBITDA or cash earnings has increased by 458% as shown below.



Interest costs have dropped from \$8.66m to \$3.04m over the same three year period which is a reduction of 184.9% as shown below.



Over the same period debt has reduced from \$94.8m to \$54.9m as shown below, which is a reduction of 42.1%.



In short, this means that Panthers are in a very good financial position.

The significant achievements of 2014 were:

- The Wallacia Golf Club sale and lease back agreement was completed (by way of a Put/call agreement) with Panthers having an option to buy the golf course back should the Developer decide not to proceed. Panthers will continue to operate the Club and the golf course under the new ownership if the Developer completes the purchase.
- The Lavington Club near Albury was closed due to its poor financial performance. The gaming machine entitlements were sold at significantly higher than market value and we are now endeavouring to sell the land and building.
- The Hibbard (Port Macquarie) Bowling Club was sold to a newly created club formed by the members.
- A memorandum of understanding has been signed with the Tulich Group for the development of an Aged Care (108 units) and Seniors Living complex (189 units) at Panthers. The project is scheduled to commence building in late 2015.
- Council has approved the Western Sydney Sport and Community Centre building. We are now awaiting the State Government to match the Federal Government's \$12m contribution prior to the building commencing.
- The new \$20m Rugby League headquarters has also been approved by Council and will commence building during the course of 2015 and will be completed in early 2016.
- The joint venture with Panarottis was exited amicably and they now trade as an independent body.
- Further reduction in the Group Company structure to 5 companies down from 8 companies last year and 27 companies in 2012. To execute this last stage we borrowed circa \$80m for a few hours from ANZ and paid it back through the remaining companies to rationalize internal loans. Once complete the \$80m was repaid to ANZ and we now have a logical and rational group structure.
- A Heads of Agreement has been signed with a Developer for the sale of the Newcastle Panthers which includes the construction of a new club on the site.
- The Interactive project for the display of all our Junior League, NRL and Club history was completed and is available for all to use at our Penrith Club.
- A new joint venture travel company has commenced trading in the Penrith Club. All members receive loyalty points when booking travel and you can find the full advertisement inside the front cover of this report.
- All of our IT systems have been rebuilt.

- Rugby League membership broke through 16,000 members for the first time ever.
- Rugby League was cash positive by \$250k for the year, making Panthers one of only a few NRL Clubs which are cash positive.
- The new Corporate Head Office has commenced and will be completed by the end of February 2015.
- The design for the renovations of Port Macquarie, North Richmond and Bathurst are complete and the DA's will be lodged in the first quarter of 2015 with construction to start as soon as the DA's are approved.
- A Committee is being established to select our best team of the last 50 years to be celebrated in 2016 along with a number of other significant events for the 50 year celebrations.
- The full upgrade of the carpark at Penrith commenced in January 2015.

The Board has also approved a number of recommendations which are being put to members at the March 2015 AGM dealing with the Board composition. These recommendations are aimed at bringing Panthers up to "Best Practice" methodologies. The recommendations, if supported, will see the Penrith District Rugby League Football Club (PDRLFC) comprise of five elected Board members. The five PDRLFC Board members will be entitled to appoint a maximum of 2 additional directors in accordance with the provisions of the Registered Clubs Act. The PDRLFC board will automatically be appointed as the board of the Penrith Rugby League Club Limited (PRLC). The PRLC Board will therefore comprise a total of 7 members, 5 of whom are elected and 2 appointed.

I extend my congratulations to the entire Rugby League staff and players on a very successful 2014. Phil Gould and his staff developed structures and plans a few years ago that are delivering results. Certain decisions which were taken were not popular at the time, however, as it is with change in any Organisation, not everyone sees or understands the long term goals. 2014 saw the First grade team one win out of the Grand Final, the NSW Cup team were Premiers and the Holden Cup team were beaten by for and against for a spot in the top eight. On any measure it was a very successful season.

The program "Built from Within" is also delivering with a significant number of local Juniors shaping up to press for top grade positions over the next few years.

The Club staff led by Sue McNeill and the Corporate team led by Peter Kadar are to be commended for their results. All of our staff work hard to deliver the best service and facilities for members and given that membership and visitation are growing it is a sign that they are on the right track.

To our Chairman Don Feltis and his fellow Board Members I thank you for all your time, effort and support.

**WARREN WILSON**  
Chief Executive Officer  
Panthers Group



# CORPORATE GOVERNANCE STATEMENT



Panthers is committed to best practice in all areas of Corporate Governance. We believe that Corporate Governance facilitates effective management and control of the business, which in turn enables Panthers to deliver the best results to all its stakeholders.

## The Board of Directors

The Board of Directors is accountable to the members for the overview of the financial management, viability and performance of the Panthers Group. The Board's principal objective is to increase member value while ensuring that overall activities are properly managed. All Directors have unrestricted access to company records and information and receive detailed financial and operational reports from executive management during the year, to enable them to carry out their duties. The Board meets formally at least 12 times each year, and also from time to time, to deal with specific matters that require attention between scheduled meetings.

## Code of Conduct

Panthers is committed to the highest standards of ethical business conduct. As part of this commitment Panthers has an internal Code of Conduct to guide board members, executives, management and employees in carrying out their duties and responsibilities.

## Board Sub-committees

The Board utilises a number of Sub-committees to support it in matters which require more intensive review. During 2014 the Board had the following seven sub Sub-committees in place:

### Board Executive Sub-committee

This Sub-committee consists of the chairman, Don Feltis OAM, and the two Deputy Chairmen, John Hiatt OAM and Brian Fletcher who meet monthly with the CEO to maintain a regular communication arrangement between the Board and CEO and discuss issues such as Panthers key result areas, strategic and business planning and other important corporate issues.

### Finance and Audit Sub-committee

The Finance and Audit Sub-committee's role is to oversee the financial affairs of the Penrith Rugby League Club Ltd (PRLC) Group and review and make recommendations to the PRLC Board about the financial affairs and policies of the Group. Members of this Sub-committee during 2014 were Denis Merrick, Brian Fletcher, Bill Wheeler (retired 27.3.14), Jim Geyer and David O'Neill.

### Remuneration Sub-committee

The Remuneration Sub-committee assists the Board by ensuring that Panthers remuneration policies and practices fairly and responsibly reward executive management having regard to their performance, the law and the highest standards of governance. The Sub-committee operates under guidelines formulated to ensure compliance with the Clubs NSW Code of Practice as well as industry standards. The current members are David O'Neill, David Mayne (appointed 27.3.14) and Steve Robinson (resigned 30.10.14).

### Constitution Sub-committee

This Sub-committee is responsible for reviewing and recommending ongoing changes to the memorandum and articles of association of PRLC. Members are Denis Merrick, John Hiatt OAM and Don Feltis OAM.

### Corporate Real Estate Sub-committee

The Corporate Real Estate Sub-committee's role is to oversee the corporate real estate and property affairs of the Penrith Rugby League Club Ltd (PRLC) Group and review and make recommendations to the PRLC Board. The members are Gary Kennedy (resigned as at 27.3.14), Brian Fletcher, Greg Alexander and Keith Rhind OAM (retired 27.3.14).

### Sub-Judiciary Sub-committee

This Sub-committee is responsible for hearing disciplinary matters in relation to members. The current Board Judiciary Sub-committee members are John Hiatt OAM, Denis Merrick and Don Feltis OAM.

### Club Grants Sub-committee

The Club Grants Sub-committee administers compliance with the Community Development and Expenditure Tax rebate scheme known as "Clubs Grants", and makes recommendations to the Board for approval of grants under Category 1 and 2 of that scheme for payment to Community recipients. The Sub-committee comprised of John Hiatt OAM and David O'Neill.



# GROUP-WIDE CONSUMPTION

FOR THE YEAR ENDED 31 OCTOBER 2014



**139,048** Cappuccinos Served



**196,715** Glasses of Coca Cola Poured



**33,270** Garlic Breads Eaten



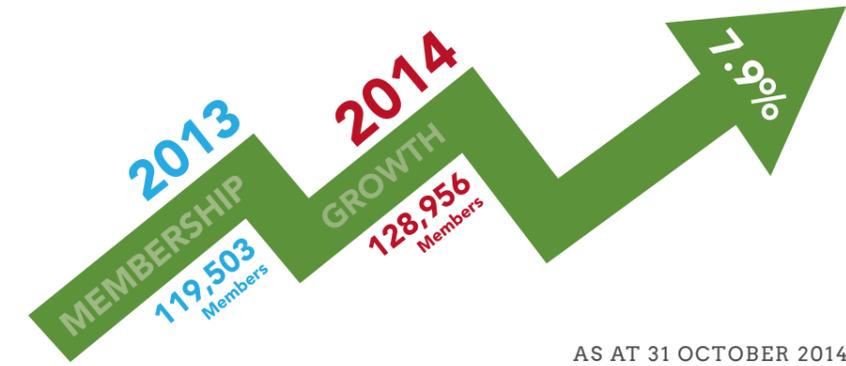
**509,509** Meals Serves Across the Group



**76,282** Side Servings of Gravy

# MEMBERSHIP DATA

FOR THE YEAR ENDED 31 OCTOBER 2014



AS AT 31 OCTOBER 2014



## Panthers Long Term Members



# PANTHERS MEMBERS



*"Glenbrook Panthers is a great place, in the community, to catch up with mates for a beer and chat"*

**Vic Baker | Home Club Glenbrook**

*"I love the club and Tuesday and Thursday Hoi are my favourites. I also come Saturdays as my Son Graham meets his friends here every Saturday"*

**Eileen Holmes | Home Club Newcastle**

*"The whole time that we have been in the Hawkesbury, this is the place to come for the friendship and the harmony,"*

**Jock Hadley | Home Club North Richmond**

*"I would like to commend Port Macquarie Panthers for delivering Members with great food. My husband and I really enjoyed the Lamb Cutlets and will be back for more. Congratulations to the Chef"*

**Betty | Home Club Port Macquarie**

*These members visit the club 2 to 3 days a week, take part in weekly raffles and enjoy a bite to eat at Kelly's Brasserie and Café.*

**'The Raffle Gang' | Home Club Penrith**



Helen Regan, Jan Delgarde, Pat Leitch



Pearl Levinge, Joan Foster

# HOME CLUB STATISTICS

FOR THE YEAR ENDED 31 OCTOBER 2014

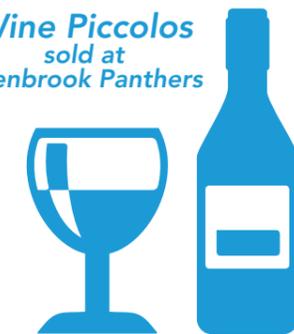


23,566



Rounds of golf have been played at Wallacia Panthers over the last 12 months

Wine Piccolos sold at Glenbrook Panthers



14,139

15,361



Members and Guests have enjoyed an amazing variety of shows at Newcastle Panthers

12,418



Chicken Schnitzels sold at North Richmond Panthers



7,552

Bingo Books played at Bathurst Panthers

1,416,695



Members and guests visited Penrith Panthers

271,576



Members and guests enjoyed a meal at Penrith Panthers



# PANTHERS COMMUNITY GROUPS



## Panthers proudly supports the following organisations:

Accessible Living Options	Central West Womens Health	Inner Wheel Club
Albury City Council - Midnight Basketball	Cordell Family Appeal	Itinerant Vision Support
Alzheimer's Australia	Daffodil Cottage	Kelso Fire Brigade
Arts & Health Australia	Diabetes Australia	Kurrajong & District Hospital Society Inc
Australian Foundation for Disability	Eglinton All Stars	Lara Jeans Association
Bathurst City Community Club	Emeritus Club	Lavington Panthers Bowling Club
Bathurst Community Transport	Emu Plains Junior Rugby League Football Club	Lavington Panthers Cricket Club
Bathurst Eisteddfod Society	Escaping Domestic Violence	Lavington Panthers Football Netball Club
Bathurst Junior Hockey	Ex-Servicewomen's Association	Life Education Australia
Bathurst Junior Rugby League	Family Drug Support	Life Education NSW - Mid North Coast
Bathurst Panthers Football Club	Foundation for Sports Men & Women	Lions Club
Bathurst Panthers Netball Club	Gifts of Grace	Little Wings Limited
Bathurst Seymour Centre	Glenbrook Blaxland Cricket Club	Lowland Wanders Soccer Club
Black Dog Institute	Glenbrook Panthers Darts Club	Lower Mountain Neighbourhood Centre Inc
Black Range Pony Club	Glenbrook Panthers Mens Bowling Club	Mayors Sporting Fund
Blaxland East Public School	Glenbrook Public School	Men of League
Blaxland High P & C Association	Glenray Industries	Mount Riverview Public School
Blaxland Preschool Kindergarten	Glossodia Public School	National Servicemen's Association of Australia
Blaxland Glenbrook RSL Sub Branch	Gold Miners Basketball	Nepean No Boundaries Disability Art Group
Blue Mountains Family Support Service Inc	Grose View Public school	NeuRA (Neuroscience Research Australia)
Blue Mountains Operation Christmas Child	HAARG Inc (Autism through the Lifespan)	Newcastle Darts Club
Blue Mountains Vietnam Veterans & Associated Forces Inc	Hamilton District Darts Association	Newcastle Surf Lifesaving Club
Boronia Bowls	Hastings Bonsai Group	Nordoff Robbins Music Therapy
BraveHearts Mid North Coast	Hastings Woodworkers Guild	North Richmond Cricket Club
Bushfire Charity Bowls Event	Hawkesbury Area Women's & Kids Services	Octopod Association
Camden Haven Sea Scouts	Hawkesbury City Junior Rugby League Club	Office of State Revenue NSW Treasury
Camp Quality	Hawkesbury Liquor Accord	Our Lady of the Nativity School
Cancer Council	Hawkesbury Valley Baptist Church	Our Lady of the Way Primary School
Carer's Australia	Hospital Visitation Group	
C&K Schubert	Hunter City Invitational Darts Association	
Central West Care		

# PANTHERS COMMUNITY GROUPS

CONTINUED



OZWAC (Australian Women & Children's Research Foundation)	Port Macquarie Model Boat Builders	Salvation Army
Panthers Fishing Club	Port Macquarie Orchid & Bromeliad Association	Shine for Kids Co operative Limited
Panthers Hibbard Social Golf Club	Port Macquarie Panthers Bridge Club	Social Seniors & Friends
Panthers Inter Club Euchre	Port Macquarie Panthers Camera Club	Special Childrens Christmas Party
Panthers On The Prowl	Port Macquarie Panthers Line Dancers	Special Olympics Australia
Panthers Social Euchre	Port Macquarie Panthers Mens Bowling Club	St Monica Fete
Panthers Social Golf Club	Port Macquarie Panthers Netball Club	TAD Disability Services
Panthers Social Cricket Club	Port Macquarie Panthers Pigeon Club	Tennyson Rural Fire Brigade
Penrith City Council	Port Macquarie Panthers Pirates Cricket Club	The Foundation for Disabled Sportsmen & Sportswomen
Penrith City Softball Association	Port Macquarie Panthers Rock N Roll Dance Club	The Leukaemia Foundation
Penrith Community Kitchen	Port Macquarie Panthers Snooker Club	The Logue Family
Penrith Cricket Club	Port Macquarie Probuss Club	Timeless Quilters
Penrith District Netball Association	Port Macquarie Sharks Junior Rugby League Football Club	Variety Club NSW
Penrith District Rugby League Football Club Ltd	Quota International of Bathurst	War Widows Guild
Penrith Skills t/a Jobquest	RAAF - Royal Airforce Association	Wentworth Community Housing
Penrith Valley Rotary	Regentville Rural Fire Brigade	Westcare Community Services
Penrith Valley Sports Foundation	Riding For The Disabled	Western Panthers Soccer
Port Macquarie High School - Deaf Unit	Rotary Club of Belvoir Wodonga Inc	Western Suburbs Newcastle Leagues Club
Port Macquarie Panthers Womens Bowling Club	Rotary Club of Lower Blue Mountains	Western Region Academy of Sport
Port Macquarie Chamber of Commerce	Rotary Club of Port Macquarie	Westpac Rescue Helicopter Svs
Port Macquarie Ballroom Dancing Group	Royal Airforce Association	Wheelchair Sports NSW
Port City Rugby League Football Club	Royal Life Saving Society	Yeehah Events
Port Macquarie Day View Club	Royal Flying Doctors Service	
Port Macquarie Football Club	RSL Sub-Branch	
Port Macquarie Hastings Council Community Development	RRISK (Reduce Risk Increase Student Knowledge)	
Port Macquarie Hastings Legacy		
Port Macquarie High School		
Port Macquarie Junior Legacy		
Port Macquarie Laurel Club		



# PANTHERS COMMUNITY GROUPS

CONTINUED



*"Thank you Penrith Panthers for the \$6,000 donation to The Leukaemia Foundation ...Your gift will help us to continue providing support services for people living with leukaemia, lymphoma and myeloma within our local community."*

**Christine McMillan - General Manager  
Leukaemia Foundation**



*"Port Macquarie Panthers' donation Ensures the continued delivery of sporting programs, wheelchairs, financial assistance and professional support for over 600 Wheelchair Sports NSW Members of all ages (8-80), at all stages (beginner to elite), to enjoy the life enriching benefits of participation in sport."*

**Wheelchair Sports NSW**



*"I would like to thank you for your generous support of our funding for the Locals Helping Locals project. Panthers support will enable TAD to address skills gaps in our volunteers and provide the equipment needed to design and build personalised custom equipment for people with disabilities"*

**Alison Bray Acting Development Manager  
TAD Disability Services**



*"Euroka would like to thank Glenbrook Panthers for not only a profitable evening, but a wonderfully fun one too. All monies raised on the evening will be used to purchase outdoor play equipment and a much needed smart board."*

**Euroka Children's Centre**

**Euroka Children's Centre**



# DIRECTORS' REPORT



Your directors submit their report for the year ended 31 October 2014.

## DIRECTORS

All directors are current members of Penrith Rugby League Club Limited and its controlled entities (referred to hereafter as the Group) and were in office for this entire period unless otherwise stated. The names and details of the directors of the consolidated entity in office during the financial year and until the date of this report are as follows:



**FROM LEFT TO RIGHT:** CEO Warren Wilson, Gregory Alexander, David Mayne, Deputy Chairman John Hiatt OAM, Chairman Donald Feltis OAM, James Geyer, David O'Neill, Deputy Chairman Brian Fletcher and Denis Merrick.

# DIRECTORS' REPORT

CONTINUED



# DIRECTORS' REPORT

CONTINUED



**DONALD FELTIS OAM**  
CHAIRMAN



Director for 13 years. Chairman since 2008. Lifelong resident of Penrith. Compliance and Legal Co-ordinator to Penrith Junior League. Member of Sub-Judiciary, Constitution and Executive sub-committees. Delegate to NRL, NSWRL and Clubs NSW. Life member of Panthers, Penrith Junior League, NSW Rugby League, NSW Junior Rugby League and NSW Police Association. Chairman of Foundation for Disabled Sportsmen and Sportswomen. Chairman of Panthers on the Prowl. Extensive experience in business management including 29 years In rugby league administration.

**BRIAN FLETCHER**  
DEPUTY CHAIRMAN



Director for 4 years. CEO and Life Member of Hawkesbury Race Club Limited. Deputy Chairman of the Provincial Racing Association of NSW. Life Member of Coonamble Race Club. Director of the Foundation for Disabled Sportsmen and Sportswomen. Victor Chang Foundation Ambassador.

**JOHN HIATT OAM**  
DEPUTY CHAIRMAN



Director 12 years. Retired Magistrate, Solicitor. Member of the Executive. Member of the Judiciary, Clubs Grants and Constitution Sub-committees. Chairman and Life Member of the Hawkesbury Race Club Limited

**JAMES GEYER**



Director for 13 years. Technical Director in the computer industry. University Lecturer for 32 years (retired 27.1.07). Member of Bathurst Panthers Advisory Committee for 15 years.

**GARY KENNEDY**  
RESIGNED: 27.3.2014



Director for 12 years. Secretary of Newcastle Trades Hall Council. Director of Hunter Development Corporation, Director of Regional Development Australia (Hunter), Director of Industry Development Centre and Chair of the Human Resource Committee, Treasurer Disability Advocacy and Advocacy Law Alliance NSW, Director of Labour Cooperative Ltd. President of the Newcastle Panthers Advisory Committee for 9 years and a director for 13 years

**WILLIAM FERGUSON**  
RESIGNED: 27.3.2014



Director for 4 years. Member of Newcastle/ Cardiff Advisory Committee for 9 years. Retired Research/Industrial Officer of NSW Public Service Association (33 years). Trustee of Newcastle Trades Hall Council. Member of the Remuneration sub-committee.

**GREG ALEXANDER**



Director for 12 years. Involved with football in Penrith area for 40 years. Penrith's "Rookie of the Year" in 1984. Won the prestigious Daly M Player of the Year in 1985. Played City Origin, State of Origin and for Australia. Captained Penrith's first Premiership win in 1991. Sports Commentator on 2UE and Fox Sports.

**DAVID MAYNE**  
APPOINTED: 27.3.2014



Panthers Port Macquarie Advisory Committee member since 2005, Vice Chair since 2008 and elected chair in 2014. A past Regional Manager Wesley. Management consultant- Conflict resolution, HRM, Operations and structure. Marketing Manager TAFE. Councilor Hastings Council. President Chamber of Commerce. Assistant Governor Rotary. Chair Life Education. Chair McLeay Options disabilities. He has extensive experience in business management and marketing.

**DENIS MERRICK FCPA | JP**



Director for 7 years. Certified Practising Accountant (Retired). Principal in accounting firms in Penrith for over 40 years. Over 30 years' experience in administration of sporting bodies. Life Member of Lower Mountains Junior Rugby League club. Qualified Rugby League Coach and Referee. Accredited official with Swimming Australia. Swimming Life member of a local club and district association. Panthers member since 1973. Chairman of the Finance and Audit Sub-committee, and the Constitution Sub-committee. Member of the Sub-Judiciary Sub-committee.

**STEPHEN ROBINSON**  
RESIGNED: 30.10.2014



Director for 4 years. Panthers Member for 36 yrs. Panthers Rugby League Team Management (1983-88). Nepean Triathlon Committee (1980-82). National Sales Manager for a Mining, Agriculture and Industrial Transmission company with 37 yrs business knowledge and experience. NRL Accredited Player Manager/Agent (1989-2011). Licensee of a family owned & operated 29 place Child Care Centre in the Penrith CBD.

**WILLIAM WHEELER**  
RETIRED: 27.3.2014



Director for 7 years. Degree in Mechanical Engineering, with 41 years experience and has 47 years experience in business management and administration. Chairman of Port Macquarie Advisory Committee for 9 years, Advisory Committee member for 11 years, member of the Panthers Group Finance and Audit sub-committee and Secretary of the Port Macquarie Panthers Bowling club for 9 years.

**DAVID O'NEILL**



Director for 2 years. Managing Director of ABCOE Distributors, Penrith. Panthers sponsor since 2008. Current Director of Panthers on the Prowl.

**KEITH RHIND OAM**  
RETIRED: 27.3.2014



Director for 39 years including 25 years in executive positions including Chairman 1983. Rugby League administrator for three years. Member since 1959 and was made a life member in 1986. A retired businessman and former Penrith Rugby League player. Delegate to NSWRL 1981-82-83. NSW State of Origin Rugby League Manager 1983. Patron of Penrith District Junior Rugby League.



# DIRECTORS' REPORT

CONTINUED



## PRINCIPAL ACTIVITIES

The principal activities during the year of entities within the Group were:

- promotion of the game of Rugby League football;
- provision of facilities for sport and recreation;
- operation of a licensed Club; and
- rental and development of property.

There have been no significant changes in the nature of these activities during the year.

## EMPLOYEES

The Group employed 739 employees as at 31 October 2014 (2013: 1,063).

## REVIEW AND RESULTS OF OPERATIONS

The net profit before tax for continuing operations for the Group for the year was \$784,000 (2013: net profit of \$8,833,000) after amortisation and depreciation charge from continuing operations of \$11,833,000 (2013: \$13,902,000), and finance costs of \$3,038,000 (2013: \$4,217,000).

The net profit before tax for continuing operations includes:

- An increase in revenue from operating activities of \$10,695,000 or 10% to \$118,424,000 (2013: \$107,729,000).
- An increase in employee salaries, benefits and related taxes of \$2,202,000 or 5% to \$45,797,000 (2013: \$43,595,000) related to the ongoing restructure of the group.

The net profit before tax decreased by \$10,336,000 or 91% to a net profit of \$1,049,000 (2013: net profit before tax of \$11,385,000).

The tax expense for the year was \$163,000 (2013: tax benefit of \$741,000).

## DIVIDENDS

The Company is limited by guarantee and is prevented by its constitution from paying dividends.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the financial year ended 31 October 2014, operations at Lavington Panthers ceased and the property was held for sale along with the properties at Newcastle Panthers, Hibbard Sports Club and Wallacia Panthers.

Hibbard Sports Club was deamalgamated from the Group on 25 November 2014.

There have been no other significant changes in the state of affairs of the Group during the year.

## SIGNIFICANT EVENTS AFTER THE REPORTING DATE AND LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Hibbard Sports club was dealmagamated from the group on 25 November 2014. The group has entered into agreements for the sale of Wallacia Panthers and a heads of agreement has been signed with a developer for the sale of Newcastle Panthers.

## ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group's operations are subject to various environmental regulations under both Commonwealth and State legislation.

The Board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the consolidated entity.

# DIRECTORS' REPORT

CONTINUED



## INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Company held an insurance policy for the benefit of the directors and officers. In accordance with commercial practice, the insurance policy prohibits disclosure of the terms of the policy, including the nature of the liability insured against and the amount of the premium.

## ROUNDING

The amounts contained in this report and in the financial statements have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

## MEASUREMENT OF SUCCESS

The club measures success by focusing on five key areas

### 1. The Financial Performance of the Club

The key financial indicators listed below, are presented for review to the group board and executive management monthly.

- Revenue;
- Wages Costs;
- Earning before interest, tax, depreciation and amortisation (EBITDA); and
- Net Profit

These key indicators are measured against both budget, prior year and a forecast.

**2. A Growing Customer Base** – monitored via total membership numbers, the use of door counters and data extracted from the point of sale system.

**3. Customer Satisfaction** – by obtaining direct customer feedback through formal focus sessions, mystery shoppers plus monitoring the data obtained from point two above.

**4. Employee Satisfaction**

**5. Engaging the Community** - Through our various charitable arms such as Panthers on the Prowl and the Foundation for Disabled Sportsmen and Sportswomen. Promoting sport and recreation via the Club Grants Scheme and participation in the elite NRL competition.

The Clubs Main Achievements during the year were:

- Simplification of the Group's structure by discontinuing entities no longer profitable or in the strategic interests of the group.



# DIRECTORS' REPORT

CONTINUED



## DIRECTORS' MEETINGS

The number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

	Directors Meetings	Constitution Committee	Remuneration Committee	Sub Judiciary Committee	Club Grants Committee	Football Club Meeting	Finance and Audit Subcommittee
<b>Number of meetings held</b>	12	1	2	1	8	12	3
<b>Number of meetings attended</b>							
D Feltis OAM	12	1	-	1	1*	12	-
J Hiatt OAM	12	1	-	1	8	12	-
B Fletcher	11	-	-	-	-	11	3
G Alexander	8	-	-	-	-	6	-
J Geyer	12	-	-	-	-	-	3
D Merrick FCPA   JP	11	1	-	1	-	11	2
D O'Neill	12	-	2	-	8	12	2
D Mayne (Appointed 27.3.2014)	7	-	2	-	-	-	-
K Rhind OAM (Retired 27.3.2014)	5	-	-	-	-	5	-
W Wheeler (Retired 27.3.2014)	5	-	-	-	-	-	2
G Kennedy (Resigned 27.3.2014)	2	-	-	-	-	-	-
W Ferguson (Resigned 27.3.2014)	3	-	-	-	-	-	-
S Robinson (Resigned 30.10.2014)	12	-	1	-	-	11	-

\* In his role as Alternate Director of the Club Grants Committee

## INDEMNIFICATION OF AUDITOR'S

To the extent permitted by law, the Group has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial period.

## AUDITOR'S INDEPENDENCE DECLARATION

The directors have received a declaration of independence from the auditor and this is attached on page 25. The directors are satisfied that the nature and scope of non audit services has not compromised the auditor's independence.

Signed in accordance with a resolution of the directors.

  
**DON FELTIS OAM**  
 Chairman  
 Panthers Group  
 29 January 2015

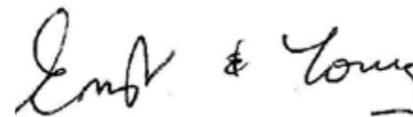


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## Auditor's Independence Declaration to the Directors of Penrith Rugby League Club Limited

In relation to our audit of the financial report of Penrith Rugby League Club Limited for the financial year ended 31 October 2014 to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



ERNST & YOUNG



**DANIEL CUNNINGHAM**

Partner

Sydney

29 January 2015

A member firm of Ernst & Young Global Limited  
 Liability limited by a scheme approved under Professional Standards Legislation

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 OCTOBER 2014

	Notes	2014 \$'000	2013 \$'000
<b>Revenue/Income from Continuing Operations</b>	4(a)	<b>118,687</b>	130,278
Raw materials and consumables used		(12,070)	(10,462)
Employee benefits expense	4(d)	(45,797)	(43,595)
Gaming machine tax		(14,992)	(13,904)
Depreciation expense		(11,833)	(13,902)
Impairment expense		-	(5,516)
Finance costs	4(c)	(3,038)	(4,217)
Electricity expense		(2,325)	(2,905)
Artists and entertainment expenses		(1,053)	(974)
Repairs and maintenance		(2,220)	(1,828)
Member promotions and membership expense		(2,436)	(2,146)
Donations		(1,151)	(1,077)
Sponsorship		(2,032)	(1,765)
Insurance expense		(1,183)	(937)
Other promotions		(1,463)	(1,451)
Rent and rates		(743)	(753)
Advertising expense		(695)	(792)
Land tax		(259)	(600)
Computer expenses		(683)	(627)
Junior development		(936)	(654)
Bad and doubtful debts expense		(27)	-
Other expenses	4(b)	(12,967)	(13,340)
<b>Profit before tax from continuing operations</b>		<b>784</b>	8,833
Income tax (expense)/benefit	5	(163)	741
<b>Profit before tax from continuing operations</b>		<b>621</b>	9,574
<b>Discontinued operations</b>			
Profit after tax for the year from discontinued operations	6	265	2,552
<b>Profit for the year</b>		<b>886</b>	12,126
Loss attributable to non-controlling interest		27	-
Surplus attributable to members of Penrith Rugby League Club Limited		913	12,126
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<b>913</b>	12,126

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 OCTOBER 2014

	Notes	2014 \$'000	2013 \$'000
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	7	5,865	4,991
Trade and other receivables	8	1,228	1,229
Inventories	9	1,301	1,163
Other assets	10	1,595	1,153
Net Assets held for sale	6	27,160	4,327
<b>Total Current Assets</b>		<b>37,149</b>	12,863
<b>Non-Current Assets</b>			
Trade and other receivables	11	57	57
Investments	12	-	230
Property, plant and equipment	13	191,008	211,464
Deferred tax assets	5	6,633	1,248
Poker machine licences	14	202	304
Other Assets	10	987	1,469
<b>Total Non-Current Assets</b>		<b>198,887</b>	214,772
<b>Total Assets</b>		<b>236,036</b>	227,635
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	15	4,531	3,676
Provisions	16	1,929	4,252
Interest-bearing liabilities	17	8,772	6,827
Other liabilities	18	13,678	16,589
<b>Total Current Liabilities</b>		<b>28,910</b>	31,344
<b>Non-Current Liabilities</b>			
Provisions	20	492	479
Deferred tax liabilities	5	5,568	6
Interest bearing liabilities	19	45,422	41,675
Other liabilities	21	1,322	695
<b>Total Non-Current Liabilities</b>		<b>52,804</b>	42,855
<b>Total Liabilities</b>		<b>81,714</b>	74,199
<b>Equity</b>			
Retained surplus		154,349	153,436
Total members interest in equity		154,349	153,436
<b>Total Non-Controlling Interest</b>		<b>(27)</b>	-
<b>Total Equity</b>		<b>154,322</b>	153,436
<b>Total Equity and Liabilities</b>		<b>236,036</b>	227,635

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2014

	Retained Earnings \$'000	Total Equity \$'000
<b>At 1 November 2013</b>	<b>153,436</b>	<b>153,436</b>
Surplus for the year	886	886
Other comprehensive income	-	-
<b>Total comprehensive loss for the year</b>	<b>886</b>	<b>886</b>
<b>At 31 October 2014</b>	<b>154,322</b>	<b>154,322</b>
<b>At 1 November 2012</b>	<b>141,310</b>	<b>141,310</b>
Surplus for the year	12,126	12,126
Other comprehensive loss	-	-
<b>Total comprehensive income for the year</b>	<b>12,126</b>	<b>12,126</b>
<b>At 31 October 2013</b>	<b>153,436</b>	<b>153,436</b>

	2014 \$'000	2013 \$'000
<b>Attributable to:</b>		
Members of Penrith Rugby League Club Ltd	154,349	153,436
Non-controlling interest	(27)	-
<b>Total</b>	<b>154,322</b>	<b>153,436</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER 2014

	Notes	2014 \$'000	2013 \$'000
<b>Operating Activities</b>			
Receipts from customers, sponsorships and grants		147,126	136,098
Payments to suppliers and employees		(136,681)	(129,008)
Interest received		-	191
Finance costs		(3,038)	(5,009)
<b>Net cash flows from operating activities</b>		<b>7,407</b>	<b>2,272</b>
<b>Investing activities</b>			
Proceeds from sale of property, plant and equipment		39	48,000
Purchase of property, plant and equipment		(14,015)	(8,953)
Proceeds from sale of intangible assets		2,200	-
Disposal of investment		230	-
<b>Net cash flows (used in)/from investing activities</b>		<b>(11,546)</b>	<b>39,047</b>
<b>Financing activities</b>			
Net repayments of borrowings		(81,030)	(44,118)
Proceeds from borrowings		86,578	-
<b>Net cash flows from/(used in) financing activities</b>		<b>5,548</b>	<b>(44,118)</b>
Net increase/(decrease) in cash and cash equivalents		1,409	(2,799)
Cash and cash equivalents at 1 November		4,991	7,790
<b>Cash and cash equivalents at 31 October</b>		<b>6,400</b>	<b>4,991</b>
Cash balances of discontinued operations and assets held for sale	6	535	-
Cash and cash equivalents	7	5,865	4,991
<b>Cash and cash equivalents at 31 October</b>		<b>6,400</b>	<b>4,991</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2014



## 1. CORPORATE INFORMATION

The financial report of Penrith Rugby League Club Limited (the "Group") for the year ended 31 October 2014 was authorised for issue in accordance with a resolution of the directors on 29 January 2015.

Penrith Rugby League Club Limited is a company limited by guarantee that is incorporated and domiciled in Australia. The nature of the operations and principal activities of the Group are described in the Directors' Report.

The registered office of the Company is: Mulgoa Road, Penrith NSW 2750.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards – Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated.

### (b) Statement of Compliance

The consolidated financial statement for the Group are tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASB – RDRs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporation Act 2001.

The financial statements complies with Australian Accounting Standards which contain specific requirements for not-for-profit entities including standards AASB 116 'Property, Plant and Equipment', AASB 136, 'Impairment of Assets', AASB 1004, 'Contributions' and AASB 1054 'Australian Additional Disclosures'.

### (c) Going Concern

At 31 October 2014, Penrith Rugby League Club (PRLC) had a net current asset of \$8,239,000 (2013: net current liability of \$18,481,000) and an overall net assets of \$154,322,000 (2013: \$153,436,000).

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

### (d) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 October 2014. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its Power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption, and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2014



The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

### (e) Current Versus Non-current Classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to sold or consumed in the Group's normal operating cycle
- Held primarily for the purpose of trading
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The Group classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in the Group's normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities

### (f) Cash

Cash in the consolidated financial position comprise cash at banks and on hand.

### (g) Trade and Other Receivables

Trade receivables, which generally have 7, 14 or 30-day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

Loan receivables from related parties are classified as loans and receivables and carried at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the loans are derecognised or impaired, as well through the amortisation process



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2014



## (h) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs have been assigned to inventory quantities on hand at reporting date using the weighted average basis. Cost comprises invoiced cost plus freight and handling charges. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

Non-current assets and disposal groups are classified as held for sale and measured at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction instead of use. They are not depreciated or amortised. For an asset or disposal group to be classified as held for sale, it must be available for immediate sale in its present condition and its sale must be highly probable.

## (i) Derivative Financial Instruments

The Group uses derivative financial instruments (interest rate swaps) to hedge its risks associated with interest rate fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value.

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives, except for those that qualify as cash flow hedges, are taken directly to profit or loss for the year.

## (j) Non-current Assets Held for Sale and Discontinued Operations

The Group classifies non-current assets and disposal groups as held for sale to equity holders of the parent if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the sale, excluding the finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the distribution will be withdrawn. Management must be committed to the sale expected within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position.

A disposal group qualifies as a discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit or loss and other comprehensive income.

Additional disclosures are provided in Note 6. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2014



## (k) Investments in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence is similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate is accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The consolidated statement of profit or loss and other comprehensive income reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate is eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the consolidated statement of profit or loss and other comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate is prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the loss as 'Share of profit of an associate' in the consolidated statement of profit or loss and other comprehensive income.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

## (l) Property, Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	2014	2013
Land	Not depreciated	Not depreciated
Freehold Buildings	40 years	40 years
Plant & Equipment	2-15 years	2-15 years
Leasehold Improvement	Expected lease term	Expected lease term
Plant & Equipment Under Lease	Lease term	Lease term



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2014



An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss and other comprehensive income when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

## (m) Leases

### *Group as a lessee*

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. An operating lease is a lease other than a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the consolidated statement of profit or loss and other comprehensive income.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

### *Group as a lessor*

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## (n) Impairment of Non-financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the Group has used depreciated replacement cost since the Group is a not-for-profit entity where the future economic benefits of its assets are not primarily dependent on the ability of the assets to generate net cash inflows and the Group would, if deprived of the asset, replace its remaining future economic benefits.

Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset period.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss and other comprehensive income. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2014



## (o) Intangibles

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates and adjusted on a prospective basis. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss and other comprehensive income as an expense.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss and other comprehensive income when the asset is derecognised.

The entity holds poker machines license either acquired through a past business combination or granted for no consideration by the NSW government. These licenses have indefinite useful lives and are tested for impairment annually or when an indication for impairment exists.

## (p) Trade and Other Payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

## (q) Panther Points Liabilities

Liabilities relating to "Panther Points" are accrued as members earn points through members spending at various outlets of the club. Each Panthers Point can be redeemed at one cent by members when they purchase at the outlets. Recognition of revenue is deferred by the amount of points earned by members during the period. Revenue is recognised when the points are redeemed.

## (r) Interest Bearing Liabilities

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the consolidated statement of comprehensive income when the liabilities are derecognised.

## (s) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2014



## (t) Provisions and Employee Benefit Liability

### General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit or loss and other comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### (i) Wages, salaries and sick leave

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

### (ii) Long service leave and annual leave

The Group does not expect its long service leave or annual leave benefits to be settled wholly within 12 months of each reporting date. The Group recognises a liability for long service leave and annual leave measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

## (u) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group has concluded that it is acting as a principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks. The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods (Includes liquor, restaurant sales, and gaming machine revenue)

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

### Accommodation Income

Accommodation revenue is recognised when the services are performed.

### Sponsorship Income

Revenue is taken to account in the period to which the sponsorship relates.

### Advertising and Promotion Income

Revenue is taken to account in the period to which the advertising and promotion relates.

### Grant Income

Revenue is taken to account in the period in which all the attached conditions have been complied with, the Group has control of the grant monies (the right to receive the grant) and it is probable that the economic benefits comprising the grant will flow to the Group.

### Trust income

Revenue is taken to account when the control of the right to receive the distribution has passed to the Group.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2014



## Interest Income

Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the consolidated statement of profit or loss and other comprehensive income.

## Subscriptions

Subscriptions for annual membership are recognised in revenue over the membership year. Subscriptions for permanent membership are not taken to income as they are refundable on death or within twelve months of resignation of the members. These are included in the Group's non-current liabilities.

## (v) Self Insured Risks

Payments of members' mortality benefits are expensed when incurred.

## (w) Taxes

### Current Income Tax

Income tax is brought to account using the liability method of tax effect accounting with the exception of Penrith District Rugby League Football Club Limited, Mulgoa Land Trust (No.1) and Panthers Property Unit Trust which are exempt from income tax. The Income Tax Assessment Act 1997 (Amended) provides that under the concept of mutuality, Clubs are only liable for income tax on income derived from non-members and from outside entities.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2014



Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### *Tax Consolidation Legislation*

Penrith Rugby League Club Limited (PRLC) and its wholly-owned controlled entities implemented the tax consolidation legislation as of 6 December 2006.

The head entity, PRLC, and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the separate taxpayer within the group approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, PRLC also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

#### *Goods and services tax (GST)*

Revenues, expenses and assets are recognised net of the amount of GST, except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

- When receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Cash flows are included in the consolidated statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2014



### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, asset and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### **Judgements**

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Operating lease commitments – Group as lessor

The Group has entered into commercial property leases on its property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

#### *Poker Machine Licences*

The Group holds poker machines licences either acquired through a past business combination or granted for no consideration by the NSW government. AIFRS requires that licences outside of a pre AIFRS transition business combination be recognised initially at its fair value as at the date it was granted with a corresponding adjustment to profit and loss to recognise the grant immediately as income. Until new gaming legislation taking effect in April 2002 allowing poker machine licences to be traded for the first time, the entity has determined that fair value at grant date for licences granted pre April 2002 to be zero. Licences granted to the entity post April 2002 are initially recognised at fair value. The Group has determined that the market for poker machine licences does not meet the definition of an active market and consequently licences recognised will not be revalued each year, however will be tested for impairment annually or when an indication of impairment is identified.

#### **Estimates and Assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### *Classification of Assets and Liabilities as Held for Sale*

The Group classifies assets and liabilities as held for sale when the carrying amount will be recovered through a sale transaction. The assets and liabilities must be available for immediate sale and the Group must be committed to selling the asset either through the entering into a contractual sale agreement or the activation and commitment to a program to locate a buyer and dispose of the assets and liabilities.

#### *Taxation*

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2014



## 4. INCOME AND EXPENSES

	2014 \$'000	2013 \$'000
<b>Revenue/Income from Continuing Operations</b>		
<b>a) Revenues from Operating Activities</b>		
Revenue from gaming	62,964	58,613
Revenue from catering and beverages	24,046	22,359
Revenue from raffles/bingo	967	1,037
Revenue from gate receipts	2,093	1,644
Revenue from functions and banquets	5,098	5,517
Revenue from merchandise sales	1,345	560
Revenue from show tickets	257	280
Rental income	1,970	1,845
NRL Grant	7,210	6,810
Sponsorship revenue	5,912	5,597
Subscriptions	465	429
Other	6,097	3,038
<b>Total revenues from operating activities income</b>	<b>118,424</b>	<b>107,729</b>
<b>Other Income</b>		
Net gain on disposal of property, plant and equipment	39	22,348
NSW State Government grant	224	-
Interest received - other	-	191
Bad debt recovery	-	10
<b>Total other income</b>	<b>263</b>	<b>22,549</b>
<b>Total revenue/income from continuing operations</b>	<b>118,687</b>	<b>130,278</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2014



	2014 \$'000	2013 \$'000
<b>Expenses from continuing operations</b>		
<b>b) Other expenses from operating activities</b>		
Annual report	66	119
Audit and accounting	633	670
Bank charges	317	594
Cleaning expenses	924	913
Consultancy	1,303	722
Courtesy Bus	13	166
Equipment hire	274	261
Gaming, monitoring and other cost	908	837
General expenses	44	61
Legal fees	562	883
Licences and Subscriptions	645	549
Mini asset register	88	36
Money security	110	251
Motor vehicle expenses	10	38
Other expenses	2,223	2,589
Pest control	49	38
Plants	42	44
Postage	44	32
Printing and stationery	569	711
Purchases Raffle and Bingos	1,263	1,175
Security	303	303
Staff amenities	193	97
Telephone	542	495
Travel and accommodation	258	274
Training	1,312	1,152
Waste expenses	272	330
<b>Total expenses from continuing operation</b>	<b>12,967</b>	<b>13,340</b>
<b>(c) Finance costs expense</b>		
Borrowings other persons/corporations	2,777	3,989
Finance charges - lease liability	261	228
<b>Total finance costs</b>	<b>3,038</b>	<b>4,217</b>

## Expenses from continuing operations

### (c) Finance costs expense

Borrowings other persons/corporations	2,777	3,989
Finance charges - lease liability	261	228
<b>Total finance costs</b>	<b>3,038</b>	<b>4,217</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2014



	2014	2013
	\$'000	\$'000
<b>(d) Employee benefits expense</b>		
Wages and salaries	38,073	35,630
Workers' compensation costs	1,541	1,520
Defined contribution plan expense	3,063	2,972
Long service leave provision	510	403
Employee benefits	40	257
Termination benefits	-	269
Payroll and FTB Tax	2,495	2,403
Other	75	141
<b>Total employee benefits expense</b>	<b>45,797</b>	<b>43,595</b>

## 5. INCOME TAX

	2014	2013
	\$'000	\$'000
<b>(a) Income tax expense/(benefit)</b>		
<i>Deferred income tax/(benefit)</i>		
Relating to origination and reversal of temporary differences	163	(741)
<b>Income tax benefit reported in the statement of comprehensive income</b>	<b>163</b>	<b>(741)</b>

### (b) Numerical reconciliation between aggregate tax benefit recognised in the statement of comprehensive income and tax expense calculated per the statutory income tax rate

A reconciliation between tax benefit and the product of accounting loss before income tax multiplied by the Group's applicable income tax rate is as follows:

	2014	2013
	\$'000	\$'000
<b>Accounting profit before tax from continuing operations</b>	<b>784</b>	<b>8,834</b>
Profit before tax from a discontinued operation	265	2,552
<b>Accounting profit/(loss) before income tax</b>	<b>1,049</b>	<b>11,386</b>
At Group's statutory income tax rate of 30% (2013: 30%)	315	3,416
Non-temporary differences	30,815	(11,336)
Members only income	(731)	(1,036)
Members only expenses	1,985	2,133
Effect of mutuality	(1,847)	(3,395)
Non-taxable profit for tax exempt entities	(10,424)	8,563
Current year tax losses not recognised	(839)	2,847
Other items related to discontinued entities	(19,111)	(1,933)
<b>Aggregate income tax expense/(benefit)</b>	<b>163</b>	<b>(741)</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2014



### (c) Recognised deferred tax assets and liabilities

Deferred income tax at 31 October relates to the following:

	2014	2013
	\$'000	\$'000
<b>Consolidated statement of financial position</b>		
<i>(i) Deferred tax liabilities</i>		
Prepayments	3	6
Property held for sale	4,917	-
Poker machine licences	23	-
Provisions	11	-
Property, plant & equipment	614	-
<b>Gross deferred tax liabilities</b>	<b>5,568</b>	<b>6</b>
<i>(ii) Deferred tax assets</i>		
Property, plant and equipment	966	243
Employee benefits	460	507
Deferred income	53	16
Provisions	-	152
Accruals	55	330
Borrowing costs and deductible black hole expenditure	182	-
Prior year tax losses	4,917	-
<b>Gross deferred tax assets</b>	<b>6,633</b>	<b>1,248</b>

### Consolidated statement of comprehensive income

<i>(i) Deferred tax liabilities</i>		
Property, plant and equipment	615	(134)
Employee benefits	11	(2)
Prepayments	(4)	4
Poker machine licences	23	(376)
Property held for sale	4,917	-
<b>Gross deferred tax liabilities</b>	<b>5,662</b>	<b>(508)</b>
<i>(ii) Deferred tax assets</i>		
Property, plant and equipment	(723)	(243)
Employee benefits	47	(18)
Deferred income	(51)	121
Provisions	152	157
Accruals	275	(250)
Borrowing costs and deductible black hole expenditure	(182)	-
Prior year tax losses	(4,917)	-
<b>Gross deferred tax assets</b>	<b>(5,399)</b>	<b>(233)</b>
<b>Deferred income tax expense/(benefit)</b>	<b>163</b>	<b>(741)</b>

### (d) Tax losses

The Group has deferred tax assets relating to carried forward tax losses that are not recognised on the consolidated statement of financial position of \$17,855,630 (2013: \$12,679,946). The carried forward tax losses are available indefinitely for offset against future taxable income, subject to continuing to meet relevant statutory tests.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2014



## 6. DISCONTINUED OPERATIONS AND NET ASSETS HELD FOR SALE

During the financial year ended 31 October 2014, the Club made the decision to discontinue the operations at Lavington Panthers. Trading venues at Newcastle Panthers and Hibbard Sports Club were reclassified as assets held for sale. Wallacia Club was classified as held for sale since the start of the financial period.

The results of the Club are presented on the consolidated financial statement of profit or loss and other comprehensive income under discontinued entities.

	2014 \$'000	2013 \$'000
<i>The results of the discontinued operations for the year until disposal are presented below:</i>		
Revenue	17,077	12,123
Expenses	(16,780)	(9,569)
Gross profit/(loss)	297	2,554
Finance costs	(32)	2
<b>Profit for the year from discontinued operations</b>	<b>265</b>	<b>2,552</b>

The major classes of assets for the discontinued entities as at 31 October are as follows:

	2014 \$'000	2013 \$'000
<b>Assets</b>		
Cash	535	-
Trade and other receivables	149	-
Inventory	140	21
Poker machine licenses	51	25
Property, plant and equipment	26,913	4,387
<b>Assets classified as held for sale</b>	<b>27,788</b>	<b>4,433</b>
<b>Liabilities</b>		
Employee entitlements	(365)	(106)
Other liabilities	(263)	-
Liabilities directly associated with assets classified as held for sale	(628)	(106)
<b>Net Assets directly associated with disposal group</b>	<b>27,160</b>	<b>4,327</b>

## 7. CASH AND CASH EQUIVALENTS

	2014 \$'000	2013 \$'000
Cash	5,865	4,991

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2014



## 8. TRADE AND OTHER RECEIVABLES (CURRENT)

	2014 \$'000	2013 \$'000
Trade debtors	1,229	1,236
Provision for doubtful debts	(1)	(7)
<b>Carrying amount of trade and other receivables</b>	<b>1,228</b>	<b>1,229</b>

## 9. INVENTORIES

	2014 \$'000	2013 \$'000
Raw materials and stores at cost	1,301	1,163
<b>Total inventory at the lower of cost and net realisable value</b>	<b>1,301</b>	<b>1,163</b>

## 10. OTHER ASSETS

	2014 \$'000	2013 \$'000
<b>Current</b>		
Prepayments	770	540
Sundry debtors	825	613
<b>Total current assets</b>	<b>1,595</b>	<b>1,153</b>
<b>Non-current</b>		
Sundry debtors	987	1,469
<b>Total non-current assets</b>	<b>987</b>	<b>1,469</b>

Sundry debtors include deferred settlement on the sale of land and buildings, returnable deposits, loans to players and staff loans.

## 11. TRADE AND OTHER RECEIVABLES (NON-CURRENT)

	2014 \$'000	2013 \$'000
Other related party	1,886	1,781
<b>Provision for doubtful debts: Other related party</b>	<b>(1,829)</b>	<b>(1,724)</b>
	57	57

Loans receivable from related parties are non-current. Other details of the terms and conditions of related party receivables are set out in Note 27(c).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2014



## 12. INVESTMENTS

### (a) Investments in associates

	2014 \$'000	2013 \$'000
At cost less cumulative impairment: Pan Pen Pty Ltd	-	230
<b>Total investments in associates</b>	<b>-</b>	<b>230</b>

### (b) Details of associate

Name	Country of Incorporation	Equity Interest Held By Controlling Entity		Balance Date
		2014 %	2013 %	
Pan Pen Pty Ltd (i)	Australia	-	50	31 October
Cable Water Skiing (Australia) Limited (ii)	Australia	-	52	30 June

(i) Pan Pen Pty Ltd operates Panarottis restaurant in Penrith Rugby League Club.

(ii) Cable Water Skiing (Australia) was deregistered on 13 December 2013.

(iii) Included in unlisted shares is an investment of \$2 in respect of the entire issued capital of Savada Pty Limited. As that company acts solely in a fiduciary capacity for the members of the Penrith District Rugby League Football Club Player's Superannuation Fund for which it is trustee, it is not controlled by Penrith Rugby League Club Limited and has not been consolidated.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2014



## 13. PROPERTY, PLANT AND EQUIPMENT

	2014 \$'000	2013 \$'000
<b>Land</b>		
At cost	79,928	87,708
<b>Net carrying amount</b>	<b>79,928</b>	<b>87,708</b>
<b>Buildings</b>		
At cost	96,787	124,634
Accumulated depreciation	(47,588)	(64,371)
<b>Net carrying amount</b>	<b>49,199</b>	<b>60,263</b>
<b>Plant and Equipment</b>		
At cost	20,523	41,015
Accumulated depreciation	(11,082)	(33,627)
<b>Net carrying amount</b>	<b>9,441</b>	<b>7,388</b>
<b>Leasehold Improvement</b>		
At cost	46,553	49,538
Accumulated depreciation	(11,367)	(10,514)
<b>Net carrying amount</b>	<b>35,186</b>	<b>39,024</b>
<b>Capital Works in Progress</b>		
At cost	8,343	3,185
Accumulated depreciation	-	-
<b>Net carrying amount</b>	<b>8,343</b>	<b>3,185</b>
<b>Plant and Equipment Under Lease</b>		
At cost	31,489	82,351
Accumulated depreciation	(22,578)	(68,455)
<b>Net carrying amount</b>	<b>8,911</b>	<b>13,896</b>
<b>Total Property, Plant and Equipment</b>		
At cost	283,623	388,431
Accumulated depreciation	(92,615)	(176,967)
<b>Net Carrying Amount</b>	<b>191,008</b>	<b>211,464</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2014



## Reconciliation of carrying amounts at the beginning and end of the year

	2014 \$'000	2013 \$'000
<b>Land</b>		
Carrying amount at the beginning of the year	87,708	93,878
Impairment	-	(3,010)
Classification to assets held for sale	(7,780)	(3,160)
<b>Balance at the end of the year - Net carrying amount</b>	<b>79,928</b>	<b>87,708</b>
<b>Buildings</b>		
Carrying amount at the beginning of the year	60,263	69,146
Additions	3,622	-
Disposals	(1,495)	(40)
Transfers	3,336	-
Impairment	-	(2,546)
Classification to assets held for sale	(11,537)	-
Depreciation charge for the year	(4,990)	(6,297)
<b>Balance at the end of the year - Net carrying amount</b>	<b>49,199</b>	<b>60,263</b>
<b>Plant and Equipment</b>		
Carrying amount at the beginning of the year	7,388	6,333
Additions	3,754	2,878
Disposals	(65)	(9)
Transfers	1,111	-
Classification to assets held for sale	(1,007)	(130)
Depreciation charge for the year	(1,740)	(1,684)
<b>Balance at the end of the year - Net carrying amount</b>	<b>9,441</b>	<b>7,388</b>
<b>Leasehold Improvement</b>		
Carrying amount at the beginning of the year	39,024	40,337
Additions	58	1,665
Disposals	(190)	-
Classification to assets held for sale	(2,000)	(1,097)
Transfers	67	-
Depreciation charge for the year	(1,773)	(1,881)
<b>Balance at the end of the year - Net carrying amount</b>	<b>35,186</b>	<b>39,024</b>
<b>Capital Works in Progress</b>		
Carrying amount at the beginning of the year	3,185	3,283
Additions	9,908	-
Disposals	-	(98)
Transfers	(4,750)	-
<b>Balance at the end of the year - Net carrying amount</b>	<b>8,343</b>	<b>3,185</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2014



## Reconciliation of carrying amounts at the beginning and end of the year (continued)

	2014 \$'000	2013 \$'000
<b>Plant and Equipment Under Leases</b>		
Carrying amount at the beginning of the year	13,896	13,435
Additions	4,061	4,518
Disposals	(5,587)	(17)
Transfers	(365)	-
Classification to assets held for sale	236	-
Depreciation charge for the year	(3,330)	(4,040)
<b>Balance at the end of the year - Net carrying amount</b>	<b>8,911</b>	<b>13,896</b>
<b>Total Property, Plant and Equipment</b>		
Carrying amount and the beginning of the year	211,464	226,412
Additions	21,403	9,061
Disposals	(7,337)	(164)
Impairment	-	(5,556)
Classification to assets held for sale	(22,689)	(4,387)
Depreciation charge for the year	(11,833)	(13,902)
<b>Balance at the end of the year - Net carrying amount</b>	<b>191,008</b>	<b>211,464</b>

## 14. INTANGIBLE ASSETS

	2014 \$'000	2013 \$'000
<b>Poker Machine Licences</b>		
Balance at beginning of year	304	329
Sold during the year	(51)	-
Classification to assets held for sale (Note 6)	(51)	(25)
<b>Balance at end of year</b>	<b>202</b>	<b>304</b>

## 15. TRADE AND OTHER PAYABLES (CURRENT)

	2014 \$'000	2013 \$'000
Trade creditors	4,531	3,676



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2014



## 16. PROVISIONS (CURRENT)

	2014 \$'000	2013 \$'000
Employee entitlements	1,929	2,011
Permanent members (i)	-	2,241
<b>Total provisions (current)</b>	<b>1,929</b>	<b>4,252</b>

(i) Subscriptions for permanent membership are fully refundable on death or within twelve months of resignation of the member. Refer to contingent liabilities in note 26.

## 17. INTEREST BEARING LIABILITIES (CURRENT)

	2014 \$'000	2013 \$'000
<b>Secured liabilities</b>		
Other Loan (i)	4,607	1,003
Lease liability (ii)	4,165	5,824
<b>Total secured liabilities (current)</b>	<b>8,772</b>	<b>6,827</b>

(i) The group has the following loan facilities with ANZ Limited:

- Cash Advance Facility (1) of \$35.0m due for repayment on 29th January 2016 (disclosed as non-current);
- Cash Advance Facility (3) of \$2.4m due for repayment on 3rd July 2017 (disclosed as non-current);
- Cash Advance Facility (4) of \$3.7m due for repayment on 9th July 2015 (disclosed as current);
- Cash Advance Facility (5) of \$1.5m due for repayment on 29th August 2017 (disclosed as non-current);
- Cash Advance Facility (6) of \$0.5m due for repayment on 24th April 2015 (disclosed as current); and
- Cash Advance Facility (7) of \$2.0m due for repayment on 29th August 2017 ( \$0.4m disclosed as current, \$1.6m disclosed as non-current).

The loan is secured by a fixed and floating charge on all assets. Interest rate for 2014 as at reporting date is 6.00% p.a. (2013: 5.73%).

(ii) As at reporting date, the Group had finance leases with an average lease term of 3 to 5 years. The average discount rate implicit in the leases is 5.65% (2013: 4.36%). The lease liability is secured by a charge over the leased assets to which the liability relates.

The carrying amounts of the Group's current and non-current borrowings approximate their fair value.

## 18. OTHER LIABILITIES (CURRENT)

	2014 \$'000	2013 \$'000
Deferred Income	3,017	1,400
Gaming machine tax	3,651	5,442
Accrued wages/salaries	(26)	1,113
Accruals for annual leave	2,077	2,596
Other creditors and accruals	4,724	5,276
Other non-interest bearing loan (i)	-	-
Subscriptions received in advance	235	726
GST Payable	-	36
<b>Total other liabilities (current)</b>	<b>13,678</b>	<b>16,589</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2014



## 19. INTEREST BEARING LIABILITIES (NON-CURRENT)

	2014 \$'000	2013 \$'000
Secured	-	-
Borrowings (Note 17 (i))	40,504	39,202
Lease liability (Note 17(ii))	4,918	2,473
<b>Total interest bearing liabilities (non-current)</b>	<b>45,422</b>	<b>41,675</b>

The loan is secured by fixed and floating charge on all assets. Interest rate for 2014 as at reporting date is 6.00% per annum (2013: 5.73%).

The carrying amounts of the Group's current and non-current borrowings approximate their fair value.

## 20. PROVISIONS (NON-CURRENT)

	2014 \$'000	2013 \$'000
Employee entitlements	492	479

## 21. OTHER LIABILITIES (NON-CURRENT)

	2014 \$'000	2013 \$'000
Interest rate swap	680	154
Rent received in advance	510	541
Other	132	-
<b>Total Other liabilities (Non-current)</b>	<b>1,322</b>	<b>695</b>

## 22. TOTAL MINIMUM LEASE PAYMENTS UNDER HIRE PURCHASE

The total minimum lease payments under hire purchase are as follows:

	2014 \$'000	2013 \$'000
Not later than one year	4,458	5,999
Later than one year but not more than five years	5,080	2,548
<b>Total minimum lease payments</b>	<b>9,538</b>	<b>8,547</b>
Future finance charges	(455)	(250)
Lease liability	9,083	8,297
Current liability (Note 17)	4,165	5,824
Non-current liability (Note 19)	4,918	2,473
<b>Total minimum lease payments under hire purchase</b>	<b>9,083</b>	<b>8,297</b>

(i) The majority of the above represents payments due for leased gaming machines under non-cancellable lease agreements and have been recognised as a liability.

(ii) Finance leases have an average lease term of 3 to 5 years.

(iii) Interest rate is disclosed at Note 17.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2014



## 23. OPERATING LEASE COMMITMENTS PAYABLE

Future minimum rentals receivable under non-cancellable operating leases as at 31 October are follows:

	2014 \$'000	2013 \$'000
Within one year	75	75
After one year but not more than five years	300	300
After more than five years	688	763
<b>Total minimum lease payments</b>	<b>1,063</b>	<b>1,138</b>

Penrith District Rugby League Football Club Limited (PDRLFC) has entered into a non-cancellable lease with Penrith City Council over Sportingbet Stadium, located at Mulgoa Road, Penrith. The non-cancellable lease has a remaining term of 14 years and 2 months. The lease includes a clause to enable upward revision of the rental charge on an annual basis according to the Consumer Price Index, and turnover rent, equal to 10% of the net profit of PDRLFC.

## 24. OPERATING LEASE COMMITMENTS RECEIVABLE

Future minimum rentals receivable under non-cancellable operating leases as at 31 October are as follows:

	2014 \$'000	2013 \$'000
Within one year	646	680
After one year but not more than five years	1,603	2,181
After more than five years	332	973
<b>Total minimum lease payments</b>	<b>2,581</b>	<b>3,834</b>

A subsidiary Mulgoa Land Trust (No.1) has entered into commercial property leases over land and buildings held by the Trust at Mulgoa Road, Penrith.

These non-cancellable leases have remaining terms of between 1 year and 25 years. The leases include clauses to enable upward revision of the rental charge on an annual basis, either at a fixed rate or in accordance with prevailing market conditions.

## 25. SUPERANNUATION COMMITMENTS

All employees are entitled to varying levels of benefits on retirement, disability or death. The superannuation plans provide accumulated benefits. Employees contribute to the plans at various percentages of their wages and salaries. Contributions by the Group of up to 9.50% of employees' wages and salaries are legally enforceable. PRLC contributions for the year ended 31 October 2014 amounted to \$3,063,000 (2013: \$2,972,000).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2014



## 26. CONTINGENCIES

(a) Full members of the chief entity with continuous membership since 1 April 1975 are entitled to a mortality benefit of \$200. At 31 October 2014 the maximum contingent liability was \$426,000 (2013: \$427,600).

(b) The Group has provided an undertaking to Penrith District Rugby Club Players Superannuation Plan that it will continue to provide financial support to the Plan to meet debts as and when they fall due.

(c) The Office of State Revenue has made a determination that notwithstanding the de-amalgamation of Mekong Panthers and St Johns Park Panthers does not fall within an exemption, and stamp duty is payable on the transfer of assets (excluding the land) which occurred between PRLC and a Temporary Holding Club (such transfer which was required by the Office of Liquor Gaming and racing and the Independent Liquor and Gaming Authority). The potential liability is in order of \$1.9m, however, representations have been made to the State Government and indications have been given that retrospective legislation will be introduced to close off this loop hole and that the stamp duty will not be payable. For the Cardiff de-amalgamation the potential liability is \$600k. If the legislative change is introduced as anticipated, this duty will not be payable. No liability has been recorded in the financial statements.

(d) Permanent members purchase membership that runs until the time of their passing. At this time, they are entitled to a refund of their membership fees less goods and services tax, provided a claim is made by the deceased's estate. At 31 October 2014 the maximum contingent liability was \$2,231,609 (2013: \$2,240,650).

## 27. RELATED PARTY DISCLOSURES

(a) The directors of Penrith Rugby League Club Limited during the financial period were:

D Feltis OAM - Chairman  
 J Hiatt OAM - Deputy Chairman  
 B Fletcher - Deputy Chairman  
 D O'Neill  
 G Alexander  
 J Geyer  
 G Kennedy (Resigned 27 March 2014)  
 D Merrick FCPA | JP  
 K Rhind OAM (Retired 27 March 2014)  
 W Wheeler (Retired 27 March 2014)  
 S Robinson (Resigned 30 October 2014)  
 W Ferguson (Resigned 27 March 2014)  
 D Mayne (Appointed 27 March 2014)

(b) The following related party transactions occurred during the financial year:

Operating surplus before income tax for the financial year includes aggregate amounts attributable to transactions in respect of:

	2014 \$'000	2013 \$'000
Purchase of goods and services - Pan Pen Pty Limited	-	2
Sales of goods and services - Pan Pen Pty Limited	-	32
Interest income/(expenses) on Loans - Penrith District Rugby League Football Club Players Superannuation Fund (ii)	105	162
Rental income received by PRLC - Pan Pen Pty Limited	-	248

(i) The receivable in relation to this income is substantially provided for at reporting date. The Group charged other group companies interest at a rate of 6.0% p.a. (2013: 6.4%).

Loans were advanced to Penrith Rugby League Club Limited by subsidiaries during the year. The entity concerned was Penrith District Rugby League Football Club Limited. The balance at year end is \$64,142,496 (2013: \$3,229,057).



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2014



The entities were:

Panthers Property Development Unit Trust  
Panthers Property Development No 2 Discretionary Trust  
Mulgoa Land Trust

No Interest-free loans were advanced to controlled entities during the year by Penrith Rugby League Club Limited. The balance at year end is \$Nil

No Interest-free loans were advanced to Penrith Rugby League Club during the year by subsidiaries during the year.

## (c) Transactions with related parties

Penrith District Rugby League Football Club Players' Superannuation Plan

Penrith Rugby League Club Limited has provided a loan to the Penrith District Rugby League Football Club Players' Superannuation Plan; this entity is a related party. The balance at year end is \$1,867,547 (2013: \$1,781,000). The loan attracts interest at a fixed rate of 9.72% (2013: 9.72%).

During the year the controlled entities transacted with the parent entity and other entities in the Group. With the exception of accounting and administrative assistance, which was provided free of charge, and interest free loans provided by certain Group companies, these transactions were on commercial terms and conditions.

Don Feltis has declared that his son's limousine business Panthers Limousines, was used by the consolidated entity. The consolidated entity paid \$200 (2013: \$830) for services provided during the year.

The consolidated entity paid \$35,000 (2013: \$60,000) sponsorship during the year to the Hawkesbury Race Club Limited. In their respective capacities as CEO and Chairman of Hawkesbury Race Club Limited, Brian Fletcher and John Hiatt are regarded as having an interest.

The consolidated entity provided a motor vehicle to Don Feltis during the prior year, the total cost is \$11,341 (2013: \$nil).

During the year the group transacted with Abcoe Distributors Pty Limited through sponsorship and purchase of stock. These transactions represented arm's length transactions under normal commercial trading terms. David O'Neill is regarded as having an interest.

## 28. KEY MANAGEMENT PERSONNEL

	2014	2013
	\$'000	\$'000
Total key management personnel compensation	2,969	2,678

## 29. EVENTS AFTER REPORTING DATE

Hibbard Sports club was dealmagamated from the group on 25 November 2014. The group has entered into agreements for the sale of Wallacia Panthers and a heads of agreement has been signed with a developer for the sale of Newcastle Panthers.

## 30. MEMBERS' GUARANTEES

Pursuant to the Memorandum of Association, every member has undertaken, in the event of a deficiency on winding up, to contribute an amount not exceeding \$4 (2013: \$4). At 31 October 2014, the Penrith Rugby League Club Limited had 128,956 members (2013: 134,975) with guarantees totalling \$515,824 (2013: \$539,900).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2014



## 31. PARENT ENTITY INFORMATION

The salient financial information in relation to the parent company, Penrith Rugby League Club Limited, is as follows:

	2014	2013
	\$'000	\$'000
Current assets	9,338	6,507
Non-current assets	174,853	180,576
<b>Total assets</b>	<b>184,191</b>	<b>187,083</b>
Current liabilities	92,705	107,538
Non-current liabilities	63,091	53,930
<b>Total liabilities</b>	<b>155,796</b>	<b>161,468</b>
<b>Net assets</b>	<b>28,395</b>	<b>25,615</b>
Accumulated deficit	28,395	25,615
<b>Total equity</b>	<b>28,395</b>	<b>25,615</b>
Net loss/(profit)	17,797	(27,572)
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>17,797</b>	<b>(27,572)</b>

The parent entity has the following contractual obligations as at 31 October 2014:

### The Operating lease commitments payable

The parent entity had previously entered into property leases with the related entities Panthers Property Unit Trust (PPUT) and Panthers Investment Corporation (PIC) over the land and all improvements constructed on the land, including PRLC at Mulgoa Road in Penrith.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2014



## 32. CORE PROPERTY AND NON-CORE PROPERTY TO THE CLUB

Pursuant to clause 41J of the Registered Clubs Act 1976, the core property of the club is the defined premises of the following property:

Penrith (Mulgoa) 151/863625

### Non-core properties

The non-core properties of the club are the following properties which do not constitute the defined premises or any facility provided by the club for the use of its members and their guests, and all other properties owned by the club.

1 Port Macquarie RSL	109/1083464
2 Port Macquarie Sports	6/871267 132/754434 AC6821-140 (103/754434, 104/754434, 135/754434 and 203/754434) 1/196484
3 Newcastle	1/826956
4 Lavington	27/1014850
5 Bathurst RLC	1/881588
6 Wallacia	512/1079728 2/1108408 AC5645-56 (3/18701 and 4/18701)
7 North Richmond	101/873170
8 Glenbrook	357/704602 321/751662

# DIRECTORS' DECLARATION



In accordance with a resolution of the directors of Penrith Rugby League Club Limited, I state that:

In the opinion of the directors:

- (a) The financial statements and notes of Penrith Rugby League Club Limited for the financial year ended 31 October 2014 are in accordance with the Corporations Act 2001, including:
  - (i) Giving a true and fair view of its consolidated financial position as at 31 October 2014 and performance for the year ended on that date; and
  - (ii) Complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Corporations Regulations 2001
- (b) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

On behalf of the Board,

**DON FELTIS OAM**  
Chairman

Penrith

29 January 2015





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**Independent auditor's report to the members of Penrith Rugby League Club Limited**

**Report on the financial report**

We have audited the accompanying financial report of Penrith Rugby League Club Limited, which comprises the consolidated statement of financial position as at 31 October 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

**Directors' responsibility for the financial report**

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Independence**

In conducting our audit we have complied with the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the financial report.

**Opinion**

In our opinion the financial report of Penrith Rugby League Club Limited is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the financial position of the consolidated entity at 31 October 2014 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

ERNST & YOUNG

DANIEL CUNNINGHAM  
Partner

Sydney

29 January 2015

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