

ANNUAL REPORT
PENRITH RUGBY LEAGUE CLUB LIMITED
2012



THE HUB | PANTHERS PENRITH



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ANNUAL FINANCIAL REPORT PENRITH RUGBY LEAGUE CLUB LIMITED

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CORPORATE INFORMATION



ACN

000 578 398

Directors

D. Feltis JP (Chairman)
 T. Heidtmann (Senior Deputy Chairman)
 J. Hiatt OAM (Deputy Chairman)
 G. Alexander
 R. Anderson
 W. Ferguson
 B. Fletcher
 J. Geyer
 G. Kennedy
 K. Lowe (Resigned 30th January 2013)
 D. Merrick FCPA/JP
 K. Rhind OAM
 S. Robinson
 W. Wheeler

Registered Office

Mulgoa Road
 Penrith NSW 2750

Company Secretary

W Wilson

Bankers

St. George

Auditors

Ernst & Young

CHAIRMAN'S REPORT



Whilst every year at Panthers is filled with opportunities, challenges and significant events, the year 2012, which has been both demanding and productive, will stand out from the others as a year of determination and achievement.

During 2012 the Board dealt with a number of major negatives, some caused by external influences we had little or no control over, others, the legacy of a decade of losses. Hovering over that environment was the menacing cloud, of a huge debt that could not be serviced, which generated the real threat of financial collapse.

Therefore some challenging decisions had to be made and there was also the vital need to get effective leadership in place. To achieve the necessary outcomes it was necessary for the Group to be subject to significant overhaul and adjustment. The overhaul has commenced and will continue over the next few years. By taking advantage of the Groups strong asset base, the massive debt the Board had to contend with, will shortly be a third of what it was 12 months ago with strategies in place to reduce it even further during the next 24 months.

As the Group comes out the other side from the overhaul it will be smaller, more experienced and confident for the first time in well over a decade and most important, financially secure as we manage whatever the future has in store. Looking forward, there is need to take advantage of the progress that has been made, reinforce effective leadership strategy and take the Group to a strong financial platform and keep it there - and we will.

Penrith Club

Effective management by General Manager Sue McNeill and her team resulted in the Penrith club being removed from the list of violent venues which is a very positive outcome for our members, staff and our reputation. The club enjoyed a 36% uplift in profits (EBITDA) and is positioned for further improvement going forward. Changes to the Terrace Bar area have been well received. The new walkway from the Meeting and Events floor to a smoking area has been completed. Improved member facilities were provided on both level 1 and 2 with more planned in 2013 and 2014.

The vertical Wind Tunnel initiative is well under way and the new Zen restaurant will open in March. Dominiques will be refurbished and new toilet and other facilities provided in Kelly's and on level 2 later in 2013 and a multi-level car park is in the clubs forward planning. Management will also continue to meet with focus groups

quarterly so there is awareness of the wants and needs of our members.

On behalf of the Board I acknowledge and sincerely thank our staff at all levels at Penrith and throughout the Group for their continued commitment and hard work throughout the challenging period of overhaul, restructure and management change and also acknowledge that without their support and dedication we could not have achieved the results through 2012.

Group

Chief Executive Officer Warren Wilson's expertise and purposeful leadership throughout the Group, including the rugby league overhaul, effectively coordinated and guided the group's overall progress and management operation during those challenging times.

The Torchlight threat was successfully addressed and the 49.9% that Torchlight held in Panthers Property Trust has been recovered meaning that Panthers now owns 100% of that trust and therefore Panthers owns 100% of the Penrith Club land and building. A productive partnership has been established with ANZ. Complicated divestment processes involving the Mekong, Triglav and Cardiff clubs is all but complete. The complex task of amending the Constitutions of both the PDRLFC and the PRLC has been completed and is now before members for approval. The Group's complicated structure has been streamlined. The many 100's of Panther Policies, some in place over 40 years have been updated and streamlined.

Warren facilitated a Group 3 day strategic planning workshop in May 2012 in which a total of 102 desired outcomes were identified involving rugby league, club operations and development, corporate, financial and other activities. Since then 73 have been fully achieved with considerable progress made in regard to the remaining 29. Another 3 day strategic workshop is planned for May 2013.

When his leadership expertise is added to that of rugby league Executive General Manager Phil Gould, first grade coach Ivan Cleary and Penrith General Manager Sue McNeill, the Group leadership team is amongst the best in the club industry and in the Panthers clubs long history.

Rugby League

Whilst 2012 did not provide the on field outcomes preferred, it was a team and club re-building year that could not be avoided, with significant focus on structure, performance at all levels, culture, the salary cap and other

associated critical issues. Phil Gould's leadership expertise and determination to re-build a strong NRL team, develop quality juniors, establish a positive culture amongst players and staff and establish an effective management operation was welcomed by the Board.

First grade coach Ivan Cleary and his support team have had a demanding first year and he has shown by his calm and confident manner, he is focused on returning the Panthers as a force in rugby league. Mention must also be made of the effective manner, rugby league General Manager Phil Moss has managed the salary cap and the 'day to day' operations in rugby league and established positive relationships with major sponsor OAK, new apparel sponsor ASICS and with the NRL.

There are a number of experienced and outstanding players, several of them internationals, amongst the many new player signings and when added to the talented and well performed existing playing group, the 2013 team will be very competitive. We are quietly confident about the coming season and what the current playing group is capable of achieving.

I acknowledge and thank our many rugby league business partners and in particular good friends and major sponsor OAK and other executive sponsors and welcome Hertz and ASICS and also all our sponsors on all levels to another positive and productive season with the Panthers. I also acknowledge the appointment of Justin Pascoe as Business Development Manager, who will bring new professionalism to sponsorship, strengthen relationships, grow the business, meetings and events and revenue and commercialise our membership base both in rugby league and the club.

Summary

Congratulations are due to past player and General Manager of Panthers on the Prowl Brad Waugh and Penrith General Manager Sue McNeill who have been nominated for life membership at the AGM in March.

Congratulations are also due to popular staff member Diane Langmack and also to one of Panthers strongest supporters, past player Mark Geyer, following the announcement of their awards in the recent Australia Day honours. Both Di and Mark received the Order of Australia Medal (OAM).

I have considerable satisfaction in again acknowledging Panthers life members and the strong commitment they have given to our

CHAIRMAN'S REPORT

CONTINUED

organisation over many years and it is with sadness I advise the loss of life member Mick Kelly Snr. Mick was made a life member in 2002 and was a committed and loyal staff member and strong supporter of rugby league and Panthers.

At the AGM members will be asked to approve changes to the Constitution, allowing for the Football Board to reduce from 9 Directors to 7 and the Group Board to reduce from 14 Directors to 9. These changes are necessary to enable Panthers to conform to the requirements of the State Government which are strongly supported by Clubs NSW. Panthers Directors will also be attending mandatory Clubs NSW self-development courses and workshops and Regional Seminars addressing corporation law, club law, corporate governance and other important issues.

In closing I acknowledge the long commitment provided by Kerry Lowe who recently retired from the Board. I also welcome David O'Neill from ABCOE Distributors to the Board and the vast business experience and expertise he adds to the Board.

I conclude my report by thanking our senior management team of Warren Wilson, Phil Gould, Sue McNeill and my fellow Directors for the significant part they played in decision making and the recovery of the Panthers Group, during what I believe in time will be regarded as the most challenging period in the clubs history and whilst the task is not yet complete and there are still some important outcomes yet to be achieved within the recovery process, the Panthers Group is in a significantly improved position than where the Group was this time last year.


DON FELTON
Chairman
Panthers Group

CEO'S REPORT



CEO'S REPORT

CONTINUED

2012 will be remembered as a watershed year for Panthers. It was a year of "change" throughout all levels of the organisation. Certain of the changes will be obvious immediately whilst others will take longer for the effects to be seen or felt. The un-denying fact is that the Board has set a platform from which the organisation can springboard into the future.

One of the major changes is the financial structure. As stated in last year's report a deal had been struck (February 2012) with Torchlight which secured an 18 month extension (repayment date 30th June 2013) for the repayment of the \$63m loan. The deal also set the value of Torchlight's 49.9% share of PPUT at \$24m and allowed Panthers the ability to buy back that 49.9% interest, meaning we would again own 100% of all of Panther properties. Lastly the deal extinguished the Development Agreement between Panthers and Torchlight. Unfortunately it took a further six months of negotiation until the deal was signed however I am pleased to report that on the 24th August 2012 the deal was signed and the accounts now reflect the major aspects of that deal.

Whilst the Torchlight deal was being negotiated and in conjunction with your support at the 2012 AGM for the approval of all properties (apart from the property at Penrith) being declared "non-core", we were able to successfully negotiate to de-amalgamate the Mekong, Triglav and Cardiff Clubs from the Panthers group. Your continued support at the EGM in December 2012 approved the de-amalgamations and subsequent approval has been granted by the members of the Mounties group and Newcastle Wests for amalgamation of the Clubs into their organisations. The final stage of this process is Regulatory approval which is underway and is expected early 2013.

The de-amalgamations once complete, in conjunction with the sale of Nepean Shores and West Epping will see total debt reduce from just over \$90m 12 months ago to mid \$30m in early 2013.

Flowing on from the de-amalgamations and subsequent debt reduction we were able to enter into negotiations with several of the major banks for long term debt and banking facilities. I am delighted to announce that we signed (30th January 2013) a 3 year finance deal with the ANZ Bank which will extinguish all debt with Torchlight and bring to an end a 6-7 year period where Panthers could not secure bank debt. The reduction in the level of debt and the significant decrease in the interest rate payable will see the annual interest (and distribution) charge reduce from \$8.5m per annum to approximately \$2.5m per annum.

Another significant change has been our business practices throughout the group. Corporate governance and review has been strengthened which has seen some very good trading uplifts and margin increases in many areas of the business. These practices will be rolled out and continually strengthened across all sectors of the business as a priority going forward.

We have also reset our focus of what our main objectives are and have gone back to our "roots" being Rugby League and the Community. With our objectives clear we have set about rebuilding everything in Rugby League and I am extremely pleased with Phil Gould and his team's progress in delivering "Project 2015 - Built From Within". As the name states we have set up a 3 year program that will produce a first class Rugby League franchise. A major part of this project is the Panthers NRL Academy. The academy will include five new fields and "state of the art" facilities to be built on our land behind the Leagues Club. It will be used not only for our NRL teams but also for our junior representatives and to assist with the development of Country League teams as well.

A second major project has commenced with plans for the "Western Sydney Community and Sport Centre" (WSCSC) to be built on our precinct at Penrith. The WSCSC will be a major community asset for many years to come and the full details of this project will be released later this year.

One of our proudest changes comes by way of Sue McNeill and her Penrith staff being rewarded for a number of hard years of effort by being removed from "level one" category for violence. This achievement has not been without sacrifice however our aim is to provide a safe, secure and friendly environment for our members and guests and this aim is being fulfilled.

The financial result for the year ended 31st October 2012 was a loss of \$1.6m. This is a 79% improvement against 2011. However this year's results are impacted by a number of one off items totalling \$3.5m. After adjusting for one off items the result is a profit of \$1.9m or a 126% improvement against last year. The major one off items were:

Loss on the sale of assets	\$0.3m
Redundancy expense	\$0.85m
Torchlight renegotiation expense	\$1.9m
Sundry item expense	\$0.46m

Amongst the results this year, certain clubs have lifted their profitability significantly with Penrith and Bathurst being the stand outs. The improvement in performance has been

outstanding and this augurs well for the future, whilst we still have challenges at some of our other venues.

One of our major financial and operational challenges is the cost of electricity. At our Penrith Club consumption dropped an impressive 21% yet the cost year on year increased 10%, equating to an increase of just over 35% in our electricity price. We are considering a number of strategies to offset this major additional impost to our business.

We have engaged architects to commence work on a series of projects for a number of our Clubs for the upgrade and improvement of facilities for our members and guests. Details of these projects will be announced over the coming months.

Change is also occurring at Board level. The Board has put forward a number of changes to the constitution of both PRLC and PDRLFC for member approval. These changes are described and listed on our website at www.panthers.com.au/AGM as well as having being mailed to all members. These changes will bring Panthers into line with "best practice" Board practices and methodologies.

The other major change at Board level was the retirement of Kerry Lowe. Kerry has been a Board member for 10 years and has served on a number of sub committees during that time. I wish Kerry all the best for the future and thank him for his valued contribution. Kerry has been replaced by Dave O'Neill and I look forward to welcoming Dave.

I close by thanking you, our members for your continued support. I also thank the Board for their capacity to embrace "change" and for their support throughout the year. Finally, to all of our staff, for your efforts over the year - well done.

WARREN WILSON
Chief Executive Officer
Panthers Group

BOARD OF DIRECTORS

DONALD FELTIS JP
CHAIRMAN



TERENCE HEIDTMANN
SENIOR DEPUTY CHAIRMAN



JOHN HIATT OAM
DEPUTY CHAIRMAN



GREG ALEXANDER



BRIAN FLETCHER



KERRY LOWE



DENIS MERRICK FCPA | JP



KEITH RHIND OAM



STEPHEN ROBINSON



ROBERT ANDERSON



WILLIAM FERGUSON



JAMES GEYER



GARY KENNEDY



WILLIAM WHEELER



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 Committees

The Board utilises a number of Committees to support it in matters which require more intensive review. During 2012 the Board had the following ten sub committees in place:

Board Executive Committee

This Committee consists of the chairman, Don Feltis, and the two Deputy Chairmen, Terry Heidtmann and John Hiatt, who meet weekly 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.

Audit Committee

Operating under a charter approved by the Group Board this Committee meets four times a year. The Audit Committee assists the Group Board of Directors to discharge its responsibilities of oversight and Corporate Governance. Members of this committee during 2012 were Bill Wheeler, Denis Merrick and Steve Robinson.

Finance Committee

Its role is to oversee the financial affairs of the Group and review and make recommendations to the Board about the financial affairs and policies of the Group. Members of the Finance Committee during 2012 were John Hiatt, Denis Merrick and Brian Fletcher.

Remuneration Committee

The Remuneration 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 Committee operates under guidelines formulated to ensure compliance with the Clubs NSW Code of Practice as well as industry standards. The current members are Kerry Lowe, Terry Heidtmann and Denis Merrick.

Constitution Committee

This Committee is responsible for reviewing and recommending ongoing changes to the memorandum and articles of association of PRLC. Members are Denis Merrick, John Hiatt, Gary Kennedy and Don Feltis.

Corporate Real Estate Committee

The Corporate Real Estate 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, Terry Heidtmann and Keith Rhind

Sub Judiciary Committee

This committee is responsible for hearing disciplinary matters in relation to members. The current Board Judiciary Committee Members are John Hiatt, Dennis Merrick and Don Feltis.

AND THE WINNERS ARE THE PANTHERS COMMUNITY



PHIL GOULD ADDRESSES THE PINK LUNCH IN THE CHAIRMAN'S LOUNGE DURING WOMEN IN LEAGUE ROUND 20 JUNE 2012

AND THE WINNERS ARE THE PANTHERS COMMUNITY

Panthers donates \$2.1 Million in 2012

Over the past twelve months, the Panthers Group has continued to support many community groups across the greater western suburbs. The charities consist of different groups funded through the Panthers Clubs Grant scheme and other contributions.

Panthers are very proud of Panthers on the Prowl, which was formed in 2002 and thus celebrated its 10 year anniversary in 2012. The Prowl supports a large number of children and families within the Penrith region.

The Prowl currently delivers five community programs, aimed at enhancing opportunities for young people and their families to develop self-esteem and self worth, and to become positive role models within the community.

Education and social skills are the main focus within the classroom. Panthers players become role models for the students as they participate in classroom activities on a weekly basis.

"Read with a Mate" is a very popular program with the students and players. "Healthy Active Lifestyles" teaches nutrition, health and exercise skills to Primary school students. For adults who have a limited knowledge of computer skills, the Prowl has Adult Computer Literacy classes, which have proven a huge success.

The Teachers Aide program provides opportunities for under

20's Panthers players to develop careers, in preparation for life after football.

Year 10 students who may not be sufficiently engaged at school are supported via our Secondary School Program. This program raises awareness about different career paths, employment opportunities and training available in the future.

Panthers Group supports the John Farragher Trust to assist former Panthers player John Farragher, who suffered a broken neck in 1978 as a result of a scrum collapse. The Trust also accepts nominations and requests for financial assistance from other disabled sportsmen and sportswomen.

Our Pink ladies, Panthers Women in League have supported many charitable groups and families, including the Nepean Hospital Cancer Unit, Cure the Future Foundation at RPAH,

Panthers on the Prowl, the McGrath Foundation, Penrith Women's Refuge, and many families across the Penrith region. The Panthers Women in League "Pink Round" in June is regarded the best event in the NRL calendar for the Women in League.

Bathurst Panthers are very active when it comes to supporting the local community in Bathurst. Among the groups the club assists are Alzheimer's Australia (NSW), the Western Region Academy of Sport, Technical Aid to the Disabled, Bathurst Information and Neighbourhood, Bathurst Girl Guides, and Bathurst Junior Rugby League.

Port Macquarie Panthers is a very strong supporter of the community, with the area known for a mix of young and mature-age patrons. For this reason, the Port Macquarie club chooses to back groups across different areas, including the National Servicemen's Association of Australia, the Port Macquarie Hastings Legacy Laurel Club, RAAF Association, Hastings Mental Health Network, and the Westpac Rescue Helicopter Service.

The players from the Penrith Panthers District Rugby League Football Club happily donate many hours of their time off the field to engage with the local community. This includes visiting schools, hospitals, child care centres, aged care facilities and local sporting clubs; attending charity fundraisers; taking part in council festivals and activities; helping out at junior rugby league clinics; and donating signed merchandise to help raise funds to support the wonderful work of local community groups.

Panthers Group has a strong commitment to addressing problem gambling and alcohol abuse within the community. With the support of Wesley Mission, a free counselling service is made available to patrons across all Panthers Group clubs.

Community is what Panthers is all about. Helping each other, giving back to our supporters, thanking those who work tirelessly for others without asking for recognition and ensuring our local area is in safe hands for future generations.

AND THE WINNERS ARE THE PANTHERS COMMUNITY

Panthers proudly supports the following organisations:

Asian Women at Work
 Australian Red Cross
 Autism Spectrum Australia
 Barry Stanshall
 Bing Lee Electronics Pty Ltd
 Blaxland Glenbrook RSL Sub Branch
 Blue Mountain City Church United
 Blue Mountains Concert Band
 Bocce Club
 Boronia Bowls
 Bossley Sports Club
 Breast Cancer Australia NSW
 Buckland Aged Care Services
 Camp Quality
 Central West Care
 Department of Education
 Diabetes Australia
 Disability Services Australia
 Dunleith Tourist Park
 Fairfield City Council
 Family Drug Services
 Guide Dogs
 Guide Dogs ACT/NSW
 Hamilton District Darts Association
 Hastings Mental Health Network
 Heart Foundation
 House with no Steps
 Hunter Breast Cancer Foundation
 Kalianna Enterprises Inc.
 Kim's Foundation of Hope
 Life Education Australia
 Meal on Wheels Blue Mountains
 Mid Coast Care
 Museum of Fire
 National Serviceman's Association of Australia
 Nepean Evening View Club
 Nepean Volunteer Services
 Newcastle Bridge Club
 Newcastle Seniors Pool Club
 Our Lady of the Nativity School
 Our Lady of the Way

Ozwac
 Panthers Fishing Club
 Paraquad NSW Wheels for a Day
 Penrith City Council
 Penrith Cricket Club
 Penrith Valley Sports Education
 Port Macquarie District War Widows Guild Club
 Port Macquarie ex-Servicewomen's Association
 Port Macquarie Hastings Legacy Laurel Club
 Port Macquarie Lions Club
 Port Macquarie RSL Women's Auxiliary
 Probus
 Probus Club of Blaxland
 RAAF Association
 Relay for Life
 Rotary Club of Liverpool
 Rotary Club of Nepean
 Rotary Club of Penrith
 RSL Port Macquarie Sub-Branch
 RSPCA fundraising ball
 Salvation Army
 Samaritans Foundation
 Smithfield Netball Club
 Special Olympics
 Sydney Indo-Chinese Youth Association
 Ted Noffs Foundation
 Telstra Child Flight
 Transplant Australia
 UWS Hawkesbury Child Care Centre
 Vietnamese Community in Australia NSW
 Vietnamese Elderly Friendship Association
 Vietnamese Women's Association of NSW
 Warrimoo Bush Fire Brigade
 Werrington Public School
 Wesley Counselling Services
 Wesley Mission
 Westpac Rescue Helicopter Service
 White Ribbon
 William Stinson Public School
 Wishing Hearts & Mates on a Mission



THE PINK LUNCH IN THE CHAIRMAN'S LOUNGE DURING WOMEN IN LEAGUE ROUND
20 JUNE 2012

DIRECTORS' REPORT

DIRECTORS' REPORT

CONTINUED

Your directors submit their report for the year ended 31 October 2012.

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:

Names	Qualifications
Donald Feltis JP <i>Chairman</i>	Lifelong resident of Penrith. Director since 2002. Chairman since 2008. 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, New South Wales Rugby League and NSW Police Association. Chairman Foundation of Disabled Sportsmen and Sportswomen. Chairman of Panthers on the Prowl. Extensive experience in business management including 28 years in rugby league administration. Strongly support open and transparent leadership and committed towards Panthers once again becoming a leader in the club industry.
Terence Heidtmann <i>Senior Deputy Chairman</i>	Proprietor & Licensee of Penrith Professionals Real Estate that has successfully operated in High St for the past 40 years. Almost fully "Pantherised" since joining the Club in 1964. Initially serving as a player then, (in order) Coach, District and Schools Committeeman before joining the Board in 1984. Currently proudly serving on the Executive Committee as a Deputy Chairman whilst holding office on several sub-committees of the Board along with the roles of committeeman to Panthers on the Prowl and the Stadium Working Party—a bipartisan sub-committee of the Penrith City Council. A Life Member of the Club.
John Hiatt OAM <i>Deputy Chairman</i>	Director for 9 years. Retired Magistrate, Solicitor, and Member of the Judiciary, Donations and Constitution committees. Member of the Executive Committee. Chairman of Hawkesbury Race Club Limited and Principal Member of the New South Wales Racing Appeals Panel.
Gregory Alexander	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.
Brian Fletcher	CEO Hawkesbury Race Club Limited. NSW Provincial Race Clubs Association Deputy Chairman. Victor Chang Foundation Ambassador. Focused on Profits and lowering Debt levels. Having always had a passion for Rugby League and Panthers, he'd like to repay Panthers for the enjoyment given to him over the years by offering his services as a Board Member.
Kerry Lowe	Semi-retired. Director for 12 years. Chairman of the Remuneration and Marketing committees. Panthers delegate. President of Camden Valley Golf Resort. Association with Panthers for over 30 years. Resigned 30th January 2013
Denis Merrick FCPA JP	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. Appointed Director on 30 July 2008. Chairman of the Finance and Audit Committee. Member of the Constitution and Sub-Judiciary Committees.

Names	Qualifications
Keith Rhind OAM	Member since 1959. Directorship 39 years including 25 years in executive positions including Chairman 1983. Life member. 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. Retired businessman, dedicated to Panthers Members and Rugby League.
Stephen Robinson	Panthers Member for 34 yrs. Current Panthers Board Member. Nepean Triathlon Committee (1980-82). Penrith Panthers Rugby League Team Management (1983-88). National Sales Manager for Mining, Agricultural and Industrial Transmission company, with 36 years' experience and business knowledge. Former NRL Accredited Rugby League Player Manager (1989-2011). Has a family owned and operated 29-place Preschool in Penrith CBD. Focused on improving Debt Control and Member Facilities.
Robert Anderson	Member of Panthers North Richmond for the past 20 years and a Group Board Member for 10 years. Strongly believes in the growth of the Panthers Group through the success of Panthers Rugby League and in providing improved facilities for the members throughout the sites.
William Ferguson	Member of Newcastle/Cardiff Advisory Board for 8 years. Retired Research/Industrial Officer of NSW Public Service Association (32 years). Trustee of Newcastle Trades Hall Council. Current Group Director and member of the Remuneration committee.
Jim Geyer	Technical Director in the computer industry. University Lecturer for 32 years (Retired 29.1.07). PRLC director for 11 years. Member of Bathurst Panther's Advisory Board for 13 years.
Gary Kennedy	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 and Director of Panthers for 11 years. President of the Newcastle and Cardiff Panthers' advisory board for 8 years and a director for 12 years
Bill Wheeler	Degree in Mechanical Engineering, with 41 years experience and has 47 years' experience in business management and administration. Currently, Chairman of Port Macquarie Advisory Board for 8 years, Advisory Board member for 10 years, current member of the Panthers Group Audit Committee and Secretary of the Port Macquarie Panthers Bowling club for 8 years. Appointed Director on 31 January 2008.

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 1,086 employees as at 31 October 2012 (2011: 1,222).

Review and Results of Operations

The net deficit before tax for continuing operations for the Group for the year was \$10,201,000 (2011: \$8,803,000) after amortisation and depreciation charge from continuing operations of \$15,399,000 (2011: \$17,121,000), and an interest charge of \$7,335,000 (2011: \$6,605,000).

The net deficit before tax for continued operations includes:

- An increase in revenue from operating activities of \$2,047,000 or 1% to \$145,346,000 (2011: \$143,626,000) which was mainly attributable catering and beverage revenue.
- An increase in employee salaries, benefits and related taxes of \$2,500,000 or 5% to \$50,398,000 (2011: \$47,898,000) related to the ongoing restructure of the group.

The net loss from continuing operations decreased by \$5,884,000 or 79% to a net loss of \$1,563,000 (2011: \$7,447,000).

The tax benefit for the year was \$8,638,000 (2011: benefit \$1,356,000).

Dividends

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

Significant Changes in the State of Affairs

Total equity decreased to \$141,310,000 from \$168,167,000 a decrease of \$26,857,000 largely due to the non-controlling interest in Panthers Property Unit Trust (PPUT) being purchased by the Club by way of a loan.

Significant Events After Balance Date and Likely Developments and Expected Results

On 30 January 2013, PRLC signed an agreement with ANZ Limited to fund the payout of the total debt to Bodiam RE Limited and replace with bank debt. At the date of this report the total debt with Bodiam RE Limited has been fully repaid and the ANZ debt drawn down.

The debt with ANZ Limited is split into three facilities:

- Cash Advance Facility (1) of \$37m is due for repayment on 30th April 2013.
- Cash Advance Facility (2) of \$11m is due for repayment on 31st May 2013.
- Cash Advance Facility (3) of \$35m is due for repayment on the 29th January 2016.

The Directors expect to repay Cash Advance Facilities (1) & (2) before their due date, with the proceeds from the sale of Mekong Panthers, Triglav Panthers and Cardiff Panthers. These sales have been approved by PRLC's members on 10th December 2012, but at the date of this report are awaiting approval from the Regulator. The Directors are confident that regulatory approval will be obtained however, should the Regulator not approve the de-amalgamation of Mekong Panthers, Triglav Panthers and Cardiff Panthers, then the Cash Advance Facilities (1) & (2) will not be repaid with the proceeds of these sales.

PRLC will meet the remaining Cash Advance Facility (3) liability, which is due for repayment on 29th January 2016, through the cash generated from its continued operations. The loan is interest only.

DIRECTORS' REPORT

CONTINUED

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.

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 ASICS 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 rolling 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 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 Community Development and Expenditure Scheme (CDSE) and participation in the elite NRL competition.

The clubs main achievements during the year were:

- The deal struck with Torchlight which secured an 18 month extension for the repayment of the loan balance. The deal also set the value of the 49.9% share in PPUT @ \$24m and allowed Panthers to buy back the 49.9% interest.
- With the support of the members from the 2012 AGM and subsequent EGM, Panthers was able to successfully renegotiate to de-amalgamate Mekong, Triglav and Cardiff Panthers. The cash generated from the sales will be utilized to pay down debt in FY 2013.
- The signing of a 3 year deal with ANZ bank which will extinguish all debt with Torchlight and bring to an end a 6-7 year period where Panthers could not secure major bank debt funding; and
- The consolidated group's year on year improvement from prior year once elimination one-off costs associated with the structural changes as mentioned above.

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:

	Board Meetings	Audit Committee	Club Grants Committee	Compliance Committee	Constitution Committee	Corporate Real Estate Committee	Finance Committee	Remuneration Committee	Stadium Working Party Committee	Sub Judiciary Committee
Number of meetings held	12	2	11	2	2	2	5	3	1	3
Number of meetings attended										
D Feltis JP	12	-	6	-	2	-	-	-	1	3
T Heidtmann	11	-	9	-	-	2	-	2	1	-
J Hiatt OAM	11	-	6	2	2	-	5	-	1	3
G Alexander	6	-	-	-	-	-	-	-	-	-
R Anderson	9	-	-	-	-	-	-	-	-	-
J Geyer	11	-	-	-	-	-	-	-	-	-
G Kennedy	8	-	-	-	-	2	-	-	-	-
K Lowe (Resigned 30th January 2013)	11	-	1	-	-	-	-	2	-	-
D Merrick FCPA JP	12	2	-	-	2	-	5	1	-	2
K Rhind OAM	11	-	-	1	-	1	-	-	-	-
W Wheeler	12	2	-	-	-	-	-	-	-	-
B Fletcher	10	-	-	-	-	-	1	-	-	-
S Robinson	12	2	-	-	-	-	-	-	-	-
W Ferguson	11	-	-	2	-	-	-	-	-	-

Auditor's Independence Declaration

The directors have received a declaration of independence from the auditor and this is attached on page 21. 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
Chairman
Panthers Group

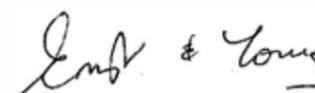
20 February 2013



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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 2012 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

20 February 2013

Liability limited by a scheme approved
under Professional Standards Legislation

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 OCTOBER 2012

	Notes	2012 \$'000	2011 \$'000
Revenue/Income from Continuing Operations	4(a)	145,673	143,626
Raw materials and consumables used		(15,515)	(16,215)
Employee benefits expense	4(d)	(50,398)	(47,898)
Gaming machine tax		(18,373)	(18,096)
Amortisation and depreciation expenses		(15,399)	(17,121)
Finance costs expensed	4(c)	(7,335)	(6,605)
Electricity expense		(3,881)	(3,593)
Artists and entertainment expenses		(3,565)	(3,323)
Repairs and maintenance		(3,390)	(4,586)
Payroll related taxes		(3,212)	(3,007)
Member promotions and membership expense		(2,853)	(2,900)
Donations		(1,705)	(1,510)
Sponsorship		(1,570)	(757)
Insurance expense		(1,549)	(1,462)
Other promotions		(1,435)	(1,502)
Rent and rates		(1,192)	(1,161)
Advertising expense		(1,041)	(1,743)
Land tax		(979)	(932)
Computer expenses		(759)	(774)
Junior development		(667)	(549)
Bad and doubtful debts expense		(527)	(144)
Share of profit of associates		-	9
Other expenses	4(b)	(20,529)	(18,560)
Deficit from ordinary continuing operations before income tax		(10,201)	(8,803)
Income tax benefit	5	8,638	1,356
Deficit from continuing operations after income tax		(1,563)	(7,447)
Surplus attributable to non-controlling interest		1,261	2,056
Deficit attributable to members of Penrith Rugby League Club Limited		(2,824)	(9,503)
Other comprehensive loss		-	-
Total comprehensive loss		(1,563)	(7,447)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 OCTOBER 2012

	Notes	2012 \$'000	2011 \$'000
Current Assets			
Cash and cash equivalents	7	7,790	7,815
Trade and other receivables	8	1,406	2,791
Inventories	9	1,140	1,583
Other assets	10	2,015	1,395
Net Assets held for sale	6	21,495	-
Total Current Assets		33,846	13,584
Non-Current Assets			
Trade and other receivables	11	58	25
Investments	12	230	230
Property, plant and equipment	13	226,412	270,584
Deferred tax assets	5	1,003	1,843
Poker machine licences	14	329	1,254
Other Assets	10	1,894	-
Total Non-Current Assets		229,926	273,936
Total Assets		263,772	287,520
Current Liabilities			
Trade and other payables	15	5,847	4,558
Provisions	16	4,184	4,362
Interest bearing liabilities	17	63,753	66,470
Other	18	18,497	21,988
Total Current Liabilities		92,281	97,378
Non-Current Liabilities			
Provisions	20	227	752
Deferred tax liabilities	5	514	16,255
Interest bearing liabilities	19	28,867	4,354
Other	21	573	614
Total Non-Current Liabilities		30,181	21,975
Total Liabilities		122,462	119,353
Net Assets		141,310	168,167
Equity			
Retained surplus		141,310	143,900
Total Members Interest in Equity		141,310	143,900
Total Non-Controlling Interest		-	24,267
Total Equity		141,310	168,167

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 2012

	Retained Earnings \$'000	Total Equity \$'000
At November 1	168,167	168,167
Deficit for the year	(1,563)	(1,563)
Other comprehensive loss	-	-
Total comprehensive loss for the year	(1,563)	(1,563)
Non-controlling interest transferred to loan	(24,033)	(24,033)
Trust distribution paid to non-controlling interest	(1,261)	(1,261)
At 31 October 2012	141,310	141,310
At 1 November 2010	177,670	177,670
Deficit for the year	(7,447)	(7,447)
Other comprehensive loss	-	-
Total comprehensive loss for the year	(7,447)	(7,447)
Trust distribution paid to non-controlling interest	(2,056)	(2,056)
At 31 October 2011	168,167	168,167
	2012 \$'000	2011 \$'000
Attributable to:		
Members of Penrith Rugby League Club Ltd	141,310	143,900
Non-controlling interest	-	24,267
Total	141,310	168,167

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 2012

	Notes	2012 \$'000	2011 \$'000
Operating Activities			
Receipts from customers		161,315	157,098
Payments to suppliers and employees		(151,351)	(142,506)
Interest received		245	225
Finance costs		(7,335)	(6,605)
Net cash flows (used in)/from operating activities		2,874	8,212
Investing activities			
Proceeds from sale of property, plant and equipment		11,877	452
Purchase of property, plant and equipment		(4,637)	(1,758)
Acquisition of investment		-	(154)
Net cash flows from/(used in) investing activities		7,240	(1,460)
Financing activities			
Net repayment of borrowings		(8,878)	(4,168)
Distributions paid to non-controlling interest		(1,261)	(2,056)
Net cash flows from/(used in) financing activities		(10,139)	(6,224)
Net (decrease)/increase in cash and cash equivalents		(25)	528
Cash and cash equivalents at 1 November		7,815	7,287
Cash and cash equivalents at 31 October	7	7,790	7,815

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2012

1. Corporate Information

The financial report of Penrith Rugby League Club Limited (the "Group") for the year ended 31 October 2012 was authorised for issue in accordance with a resolution of the directors on 20 February 2013.

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 been prepared on a historical cost basis, except for available-for-sale investments, which have been measured at fair value.

Where necessary, prior period balances have been adjusted to aid comparison.

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 Group has early adopted AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements for the financial year beginning on 1 November 2011.

The consolidated financial statements of the Company 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 Corporations Act 2001.

The adoption of AASB 1053 and AASB 2010-2 allowed the Company to remove a number of disclosures. There was no other impact on the current or prior year financial statements. The financial report 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' and AASB 1004 'Contributions'.

c). Going concern

At 31 October 2012, Penrith Rugby League Club (PRLC) had a net current asset deficit of \$58,435,000 (2011: \$83,794,000) and an overall net assets of \$141,310,000 (2011: \$168,167,000).

At 31 October 2012, PRLC had the following interest-bearing loans balances payable to Bodiam RE Limited as responsible entity (RE) for the Torchlight Group:

- Included in Note 17 'Interest bearing liabilities (current)' \$58,585,000 which was due for repayment on 30 June 2013; and
- Included in Note 19 'Interest bearing liabilities (non-current)' \$24,000,000 which was due for repayment by 30 June 2014.

On 30 January 2013, PRLC signed an agreement with ANZ Limited to fund the payout of the total debt to Bodiam RE Limited and replace with bank debt. At the date of this report the total debt with Bodiam RE Limited has been fully repaid and the ANZ debt drawn down.

The debt with ANZ Limited is split into three facilities:

- Cash Advance Facility (1) of \$37m is due for repayment on 30 April 2013.
- Cash Advance Facility (2) of \$11m is due for repayment on 31 May 2013.
- Cash Advance Facility (3) of \$35m is due for repayment on 29 January 2016.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2012
CONTINUED

2. Summary of Significant Accounting Policies (cont.)

c). Going concern (cont.)

The Directors expect to repay Cash Advance Facilities (1) and (2) before their due date, with the proceeds from the sale of Mekong Panthers, Triglav Panthers and Cardiff Panthers. These sales have been approved by PRLC's members on 10th December 2012, but at the date of this report are awaiting approval from the Regulator. The Directors are confident that regulatory approval will be obtained, however, should the Regulator not approve the de-amalgamation of Mekong Panthers, Triglav Panthers and Cardiff Panthers, then the Cash Advance Facilities (1) and (2) will not be repaid with the proceeds of these sales.

Should this occur, PRLC has a number of alternative strategies available in order to meet its obligations. The Directors are confident that one or more of these strategies would take effect. However, should these strategies not be successful PRLC may have to realise assets other than in the normal course of business in order to meet this liability. In the event that the loan cannot be repaid by the due date, then PRLC may not be able to continue as a going concern.

No adjustments have been made relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

PRLC will meet the remaining Cash Advance Facility (3) liability, which is due for repayment on 29 January 2016, through cash generated from its continued operations. The loan is interest only.

d). Principles of consolidation

The consolidated financial statements comprise the financial statements of Penrith Rugby League Club Limited and its subsidiaries, as at and for the year ended 31 October 2012 (the Group).

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group. Investments in subsidiaries held by Penrith Rugby League Club Limited are accounted for at cost in the separate financial statements of the parent entity.

The acquisition of subsidiaries is accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition.

Minority interests not held by the Group are allocated their share of net profit after tax in the statement of comprehensive income and are presented within equity in the consolidated balance sheet, separately from parent shareholders' equity.

e). Cash and cash equivalents

Cash on hand and in banks and short-term deposits are stated at nominal value. For the purposes of the Statement of Cash Flow, cash includes cash on hand and in banks, and money market investments readily convertible to cash within two working days, net of outstanding bank overdrafts. Bank overdrafts are carried at the principal amount. Interest is charged as an expense as it accrues.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2012

2. Summary of Significant Accounting Policies (cont.)

f). 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.

g). Inventories

Inventories are valued at the lower of cost and net realisable value. Costs have been assigned to inventory quantities on hand at balance 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.

h). Non-current assets and disposal groups held for sale and discontinued operations

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.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the noncurrent asset (or disposal group) is recognised at the date of derecognition.

i). Investments

The Group's interest in Narellan Properties is accounted for as an available for sale financial asset under AASB 139. Any gain or loss on the change in fair value of the investment is recognised directly in profit and loss.

j). Investments in associates

The Group's investment in its associates is accounted for using the equity method of accounting in the consolidated financial statements and at cost in the parent, unless otherwise stated. The associates are entities over which the Group has significant influence and that are neither subsidiaries nor joint ventures.

The Group generally deems they have significant influence if they have over 20% of the voting rights.

Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates.

The Group's share of an associate's profits or losses is recognised in the statement of comprehensive income, and its share of movements in reserves is recognised in reserves. The cumulative movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's statement of comprehensive income as a component of other income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2012
CONTINUED

2. Summary of Significant Accounting Policies (cont.)

j). Investments in associates (cont.)

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the "share of profit of an associate" in the statement of comprehensive income.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables and loans, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The reporting dates of the associates and the Group are identical and the associates' accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

The Cable Water Skiing (Australia) Limited is undergoing liquidation and the result is not material to the Group. The investment has been fully provided for and therefore has not been equity accounted for.

k). Property, plant and equipment

Property, Plant and Equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a reducing balance method or straight line basis over the estimated useful life of the asset as follows:

	2012	2011
Freehold Buildings	40 years	40 years
Plant and Equipment	5 to 15 years	5 to 15 years
Leasehold Improvement	Expected lease term	Expected lease term
Plant & Equipment Under Lease	Lease term	Lease term

(i) Impairment

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 or its value in use and is determined by an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of 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 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 assets ability 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2012

2. Summary of Significant Accounting Policies (cont.)

k). Property, plant and equipment (cont.)

(i) Impairment (cont.)

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 an 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 a reversal is recognised in the income statement. 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.

Impairment losses are recognised in the statement of comprehensive income.

(ii) Derecognition and Disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition upon disposal (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised.

l). Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense over the lease term.

(i) Group as a lessee

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance lease 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 as an expense in profit or loss.

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

Operating lease expense is recognised as it is incurred.

(ii) Group as a lessor

Leases in which the Group retains substantially all the risks and benefits of ownership of the leased 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 as an expense over the lease term on the same basis as rental income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2012
CONTINUED

2. Summary of Significant Accounting Policies (cont.)

(m) Intangibles

Intangible assets acquired separately are initially measured at cost. The cost of an intangible asset acquired is its fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any scheduled amortisation and impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and tested 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 is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

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

(n) 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.

(o) 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.

(p) 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 income statement when the liabilities are derecognised.

(q) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. 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 that asset. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. The Group does not currently hold qualifying assets but, if it did, the borrowing costs directly associated with this asset would be capitalised (including any other associated costs directly attributable to the borrowing and temporary investment income earned on the borrowing).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2012

2. Summary of Significant Accounting Policies (cont.)

(r) Employee benefits

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

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables 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. Liabilities 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

The liability for long service leave is recognised in the provision for employee benefits and 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.

In respect of the Group's defined contribution superannuation plans, any contributions made to the superannuation funds are charged against profits when due.

(s) Revenue recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. The following specific criteria recognition must also be met before revenue is recognised:

Sale of Goods (Includes Liquor, Restaurant Sales, and Gaming Machine Revenue)

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

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 FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2012
CONTINUED

2. Summary of Significant Accounting Policies (cont.)

(s) Revenue recognition

Interest Income

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

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.

(t) Self insured risks

Payments of members' mortality benefits are expensed when incurred.

(u) Taxes

(i) *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 tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

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

Deferred income tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, 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.

The carrying amount of deferred income 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 income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to 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.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2012

2. Summary of Significant Accounting Policies (cont.)

(u) Taxes (cont.)

ii) 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.

(iii) Other Taxes

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.
- 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 statement of balance sheet.

Cash flows are included in the 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2012
CONTINUED

3. Significant Accounting Judgements, Estimates and Assumptions (cont.)

Poker Machine Licences

The Group holds poker machine 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

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authority. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the Group companies.

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.

These losses relate to subsidiaries that have a history of losses, do not expire and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have no taxable temporary differences nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment) and lease terms (for leased equipment). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2012

4. Income and Expenses

	2012	2011
	\$'000	\$'000
Revenue/Income from Continuing Operations		
a) Revenues from Operating Activities		
Revenue from gaming	84,802	83,095
Revenue from catering and beverages	30,818	31,348
Revenue from raffles/bingo	1,661	1,401
Revenue from accommodation	883	1,191
Revenue from gate receipts	1,695	1,747
Revenue from functions and banquets	6,239	4,848
Revenue from merchandise sales	1,169	1,247
Revenue from show tickets	1,290	1,535
Rental income	2,697	2,903
NRL Grant	4,350	3,651
Sponsorship revenue	5,214	4,223
Subscriptions	467	790
Other	4,061	5,333
	145,346	143,312
Other Income		
Net gain on disposal of property, plant and equipment	-	76
NSW State Government grant	82	13
Interest received – other	245	225
Total other income	327	314
Total revenue/income from continuing operations	145,673	143,626

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2012
CONTINUED

4. Income and Expenses (cont.)

	2012	2011
	\$'000	\$'000
Expenses from continuing operations		
b) Other expenses from operating activities		
Annual report	108	74
Audit and accounting	578	374
Bank charges	756	132
Cleaning expenses	1,728	1,695
Commission	7	10
Consultancy	703	688
Courtesy Bus	250	259
Equipment hire	315	400
Gaming, monitoring and other cost	1,446	2,033
General expenses	661	523
Ground expenses	270	358
Legal fees	1,698	222
Licences and Subscriptions	940	851
Mini asset register	88	86
Money security	488	539
Motor vehicle expenses	100	118
Net Loss on Disposal of Property, Plant and Equipment	338	-
Other expenses	2,567	3,562
Pest control	63	68
Plants	60	61
Postage	244	168
Printing and stationery	756	771
Purchases Raffle and Bingos	2,044	1,968
Security	575	763
Staff amenities	233	299
Telephone	809	860
Travel and accommodation	503	164
Training	1,706	1,062
Waste expenses	495	452
	20,529	18,560

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2012

4. Income and Expenses (cont.)

	2012	2011
	\$'000	\$'000
Expenses from continuing operations (continued)		
(c) Finance costs expense		
Borrowings other persons/corporations	6,899	5,942
Finance charges - lease liability	436	663
Total finance costs	7,335	6,605

	2012	2011
	\$'000	\$'000
Expenses from continuing operations (continued)		
(d) Employee benefits expense		
Wages and salaries	43,912	42,509
Workers' compensation costs	1,613	1,160
Defined contribution plan expense	3,209	3,115
Long service leave provision	206	289
Employee benefits	456	519
Termination benefits	834	120
Other	168	186
Total employee benefits expense	50,398	47,898

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2012
CONTINUED

5. Income Tax

	2012	2011
	\$'000	\$'000
(a) Income tax expense/benefit		
<i>Current income tax benefit</i>		
Current income tax benefit	-	-
Adjustments in respect of current income tax of previous years	-	-
<i>Deferred income tax benefit</i>		
Relating to origination and reversal of temporary differences	(8,638)	(1,356)
Income tax benefit reported in the statement of comprehensive income	(8,638)	(1,356)

(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:

	2012	2011
	\$'000	\$'000
Accounting loss before tax from continuing operations	(10,201)	(8,803)
At Group's statutory income tax rate of 30% (2011: 30%)	(3,060)	(2,641)
Members only income	(295)	(382)
Members only expenses	2,065	1,916
Other items (net)	(2,019)	775
Effect of mutuality	(3,182)	(2,571)
Non-temporary differences	287	662
Non-taxable profit for tax-exempt entities	(2,461)	(1,037)
Current year tax losses not recognised	27	1,922
Aggregate income tax benefit	(8,638)	(1,356)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2012

5. Income Tax (cont.)

(c) Recognised deferred tax assets and liabilities

Deferred income tax at 31 October relates to the following:

	2012 \$'000	2011 \$'000
Consolidated statement of financial position		
<i>(i) Deferred tax liabilities</i>		
Property, Plant and Equipment	134	15,777
Employee Benefits	2	-
Prepayments	2	102
Poker Machine Licences	376	376
Gross deferred tax liabilities	514	16,255
<i>(ii) Deferred tax assets</i>		
Property, Plant and Equipment	-	86
Employee Benefits	489	616
Deferred Income	137	86
Provisions	309	972
Accruals	68	83
Gross deferred tax assets	1,003	1,843
Consolidated statement of comprehensive income		
<i>(i) Deferred tax liabilities</i>		
Property, Plant and Equipment	(7,715)	(1,160)
Employee Benefits	2	-
Prepayments	(85)	51
Poker Machine Licences	-	(26)
	(7,798)	(1,135)
<i>(ii) Deferred tax assets</i>		
Property, Plant and Equipment	(86)	-
Employee Benefits	(127)	(16)
Deferred Income	51	(24)
Provisions	(662)	(18)
Accruals	(14)	(77)
Doubtful debts	(2)	(86)
	(840)	(221)
Deferred income tax benefit	(8,638)	(1,356)

(d) Tax losses

The Group has deferred tax assets relating to carried forward tax losses that are not recognised on the balance sheet of \$9,832,147 (2011: \$9,871,694). 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 FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2012
CONTINUED

6. Net Assets Held for Sale

Assets and liabilities - held for sale operations

The major classes of assets and liabilities of Mekong, Triglav and Cardiff Clubs at 31 October 2012 are as follows:

	2012 \$'000
Assets	
Inventory	147
Poker machine licences	925
Property, plant and equipment	21,195
Assets classified as held for sale	22,267
Liabilities	
Employee entitlements	(772)
Net liabilities attributable to assets held for sale	(772)
Net Assets attributable to assets held for sale	21,495

7. Cash and Cash Equivalents

	2012 \$'000	2011 \$'000
Cash	7,790	7,815

8. Trade and Other Receivables (Current)

	2012 \$'000	2011 \$'000
Trade debtors	1,615	3,021
Provision for doubtful debts	(247)	(417)
	1,368	2,604
Other debtors	38	187
Carrying amount of trade and other receivables	1,406	2,791

9. Inventories

	2012 \$'000	2011 \$'000
Raw materials and stores at cost	1,140	1,583
Total inventory at the lower of cost and net realisable value	1,140	1,583

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2012

10. Other Assets

	2012 \$'000	2011 \$'000
Current		
Prepayments	991	561
Sundry debtors (i)	626	436
Licence deposits (ii)	398	398
	2,015	1,395
Non-Current		
Sundry debtors (i)	1,894	-
	1,894	-

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

ii) The Federation of Community, Sporting and Workers Clubs of New South Wales permit the entity the use of the Fingal Bay Holiday Resort and Urunga Holiday Resort upon the terms of certain written and oral agreements. The Licence deposits are refundable deposits which allow the Group's members to rent holiday units. These Licences were sold during 2012 and the Group is currently awaiting receipt of the Licence deposits at balance date.

11. Trade and Other Receivables (Non-Current)

	2012 \$'000	2011 \$'000
Related parties: Other related party	1,603	1,442
Provision for doubtful receivables: Other related parties	(1,545)	(1,417)
	58	25

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).

12. Investments

(a) Investments in associates

	2012 \$'000	2011 \$'000
At cost less cumulative impairment: Pan Pen Pty Ltd	230	230
	230	230

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2012
CONTINUED

12. Investments (cont.)

(b) Details of associate

Name	Country of Incorporation	Equity Interest Held By Controlling Entity		Balance Date
		2012 %	2011 %	
Pan Pen Pty Ltd (i)	Australia	50	50	31 October
Cable Water Skiing (Australia) Limited	Australia	52	52	30 June

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

(c) Details of available for sale investment

Name	Interest Held By Group		Balance Date
	2012 %	2011 %	
Narellan properties	0.00	8.33	30 June

Valuation assumptions

The fair value of the available for sale investment is based on future cash flows determined by appropriately qualified independent valuer. Any gain or loss on the change in fair value of the investment is recognised in profit and loss.

(d) 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 FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2012

13. Property, Plant and Equipment

	2012 \$'000	2011 \$'000
Land		
At cost	93,878	112,037
Net carrying amount	93,878	112,037
Buildings		
At cost	127,441	143,864
Accumulated depreciation	(58,295)	(50,982)
Net carrying amount	69,146	92,882
Plant and Equipment		
At cost	38,889	43,451
Accumulated depreciation	(32,556)	(35,511)
Net carrying amount	6,333	7,940
Leasehold Improvement		
At cost	48,873	50,816
Accumulated depreciation	(8,536)	(6,855)
Net carrying amount	40,337	43,961
Capital Works in Progress		
At cost	3,283	1,353
Net carrying amount	3,283	1,353
Plant and Equipment Under Lease		
At cost	78,059	84,601
Accumulated depreciation	(64,624)	(72,190)
Net carrying amount	13,435	12,411
Total Property, Plant and Equipment		
At cost	390,423	436,122
Accumulated Depreciation and Amortisation	(164,011)	(165,538)
Net Carrying Amount	226,412	270,584

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2012
CONTINUED

13. Property, Plant and Equipment (cont.)

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

	2012 \$'000	2011 \$'000
Land		
Carrying amount at the beginning of the year	112,037	112,037
Disposals	(9,889)	-
Classification to assets held for sale	(8,270)	-
Balance at the end of the year - Net carrying amount	93,878	112,037
Buildings		
Carrying amount at the beginning of the year	92,882	101,655
Additions	1,726	-
Disposals	(7,005)	(376)
Classification to assets held for sale	(9,655)	-
Depreciation charge for the year	(8,802)	(8,397)
Balance at the end of the year - Net carrying amount	69,146	92,882
Plant and Equipment		
Carrying amount at the beginning of the year	7,940	8,407
Additions	981	753
Disposals	(711)	-
Classification to assets held for sale	(319)	-
Reclassification	-	476
Depreciation charge for the year	(1,558)	(1,696)
Balance at the end of the year - Net carrying amount	6,333	7,940
Leasehold Improvement		
Carrying amount at the beginning of the year	43,961	45,737
Additions	-	239
Disposals	(95)	-
Classification to assets held for sale	(1,601)	-
Reclassification	-	(37)
Depreciation charge for the year	(1,928)	(1,978)
Balance at the end of the year - Net carrying amount	40,337	43,961
Capital Works in Progress		
Carrying amount at the beginning of the year	1,353	1,372
Additions	1,930	766
Reclassification	-	(785)
Balance at the end of the year - Net carrying amount	3,283	1,353

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2012
CONTINUED

13. Property, Plant and Equipment (cont.)

Reconciliation of carrying amounts at the beginning and end of the year (cont.)

Plant and Equipment Under Lease		
Carrying amount at the beginning of the year	12,411	15,641
Additions	5,727	1,812
Disposals	(241)	-
Classification to assets held for sale	(1,351)	-
Reclassification	-	8
Amortisation expense	(3,111)	(5,050)
Balance at the end of the year - Net carrying amount	13,435	12,411
Total Property, Plant and Equipment		
Carrying amount and the beginning of the year	270,584	284,859
Additions	10,364	3,570
Disposals	(17,941)	(376)
Classification to assets held for sale	(21,196)	-
Reclassification	-	(338)
Depreciation charge for the year	(15,399)	(17,121)
Balance at the end of the year - Net carrying amount	226,412	270,584

14. Intangible Assets

	2012	2011
	\$'000	\$'000
Poker machine licences		
Balance at beginning of year	1,254	1,254
Classification to assets held for sale (Note 6)	(925)	-
Balance at end of year	329	1,254

15. Trade and Other Payables (Current)

	2012	2011
	\$'000	\$'000
Trade creditors	5,847	4,558

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2012
CONTINUED

16. Provisions (Current)

	2012	2011
	\$'000	\$'000
Employee entitlements	1,930	2,097
Permanent members (i)	2,254	2,265
	4,184	4,362

(i) Subscriptions for permanent membership are fully refundable on death or within twelve months of resignation of the member.

17. Interest Bearing Liabilities (Current)

	2012	2011
	\$'000	\$'000
Secured liabilities		
Other Loan (i)	58,585	62,177
Lease liability (ii)	5,168	4,293
	63,753	66,470

(i) The loan is due for repayment to Bodiam RE Limited (Bodiam) in June 2013. Accordingly, the loan is disclosed as current at year end.

The loan is secured by a fixed and floating charge on all assets. Interest rate for 2012 as at balance sheet date is 9.854% p.a. (2011: 9.567%).

(ii) As at balance 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 5.09% (2011: 5.73%). 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)

	2012	2011
	\$'000	\$'000
Deferred Income	2,411	2,743
Gaming machine tax	5,610	6,092
Accrued wages/salaries	454	594
Accruals for annual leave	2,961	3,348
Other creditors and accruals	6,675	7,963
Other non-interest bearing loan (i)	-	914
Subscriptions received in advance	247	222
GST Payable	139	112
	18,497	21,988

(i) Non-interest bearing loan was provided to Panthers Investment Corporation by Bodiam RE Limited which was repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2012
CONTINUED

19. Interest Bearing Liabilities (Non-Current)

	2012	2011
	\$'000	\$'000
Unsecured: Borrowings (i)	24,000	-
Secured: Lease liability (Note 17(ii))	4,867	4,354
	28,867	4,354

(i) The loan is due for repayment to Bodiam RE Limited by 30 June 2014. Accordingly the loan is disclosed as non-current at year end.

The loan is secured by fixed and floating charge on all assets. Interest rate for 2012 as at balance sheet date is 9.854% per annum (2011: 9.567%).

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

20. Provisions (Non-Current)

	2012	2011
	\$'000	\$'000
Employee entitlements	227	752

21. Other Liabilities (Non-Current)

	2012	2011
	\$'000	\$'000
Rent received in advance	573	614
	573	614

22. Total Minimum Lease Payments Under Hire Purchase

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

	2012	2011
	\$'000	\$'000
Within one year	5,310	4,713
After one year but not more than five years	5,490	4,580
Total minimum lease payments	10,800	9,293
Future finance charges	(765)	(645)
Lease liability	10,035	8,648
Current liability (Note 17)	5,168	4,293
Non-current liability (Note 19)	4,867	4,354
	10,035	8,648

(i) The majority of the above represents payments due for leased poker 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 FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2012
CONTINUED

23. Operating Lease Commitments Payable

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

	2012	2011
	\$'000	\$'000
Within one year	75	75
After one year but not more than five years	300	300
After more than five years	838	913
Total minimum lease payments	1,213	1,288

Penrith District Rugby League Football Club Limited (PDRLFC) has entered into a non-cancellable lease with Penrith City Council over Centrebet Stadium, located at Mulgoa Road, Penrith. The noncancellable lease has a remaining term of 16 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:

	2012	2011
	\$'000	\$'000
Within one year	342	731
After one year but not more than five years	608	608
After more than five years	1,025	1,367
Total minimum lease payments	1,975	2,706

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 26 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. The Group also contributes to the plans, generally at the rate of twice the employees' contributions. Contributions by the Group of up to 9% of employees' wages and salaries are legally enforceable. PRLC contributions for the year ended 31 October 2012 amounted to \$3,209,000 (2011: \$3,115,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2012
CONTINUED

26. Contingencies

(i) Full members of the chief entity with continuous membership since 1 April 1975 are entitled to a mortality benefit of \$200. At 31 October 2012 the maximum contingent liability was \$437,400 (2011: \$445,000).

(ii) Permanent members of the chief entity are entitled to a mortality benefit under certain circumstances of \$1,000 (2011: \$1,000). There were 11,711 permanent members at 31 October 2012 (2011: 11,796). Benefits paid during the period were \$15,315 (2011: \$23,215).

(iii) 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.

27. Related Party Disclosures

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

D Feltis JP (Chairman)
T Heidtmann (Senior Deputy Chairman)
J Hiatt OAM (Deputy Chairman)
G Alexander
K Lowe (Resigned 30 January 2013)
D Merrick FCPA | JP
K Rhind OAM
R Anderson
J Geyer
G Kennedy
W Wheeler
S Robinson
B Ferguson
B Fletcher

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

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

	2012	2011
	\$'000	\$'000
Purchase of Goods and Services - Pan Pen Pty Limited	3	4
Sales of Goods and Services - Pan Pen Pty Limited	34	22
Interest Income/(Expenses) on Loans - Penrith District Rugby League Football Club Players Superannuation Fund (ii)	145	130
Rent Expenses for PRLC Premises - Pan Pen Pty Limited	243	246

(i) Mulgoa Road (No 1) Pty Limited charged interest on loans receivable from group companies at a rate of 7.05% p.a. (2011: 7.80%).

(ii) The receivable in relation to this income is fully provided for a balance sheet date.

The Group charged other group companies interest at a rate of 9.72% p.a. (2011: 9.72%).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2012
CONTINUED

27. Related Party Disclosures (cont.)

Interest-free loans were advanced to controlled entities during the year by Penrith Rugby League Club Limited. The balance at year end is \$66,560,913 (2011: \$62,335,787).

The entities were:

Penrith District Rugby League Football Club Limited
Rylebrook Pty Limited
143 William Street Pty Limited
Settlement Shores Investment Limited
Settlement Shores Entertainment Centre Pty Limited
Plancask Pty Limited
Panthers Investment Corporation Pty Limited
Panthers Property Management Pty Limited

Interest-free loans were advanced to Penrith Rugby League Club Limited by subsidiaries during the year. The entity concerned was Mulgoa Land Trust (No 1).

Interest-free loans are repayable on demand. The balance at year end is \$92,692,457 (2011: \$104,697,636).

(c) Transactions with related parties

Bodiam RE Limited (Bodiam)

During the year, the group purchased Bodiam's 49.9% interest in a subsidiary, Panthers Property Unit Trust. This was achieved by converting the units held by Bodiam into debt, on 24th August 2012. At balance date, Bodiam RE Limited (Bodiam) had a 0% (2011: 49.9%) interest in PPUT. In 2012 the Trust made a distribution to Bodiam amounting to \$1.261m (2011: \$2.055m).

Bodiam has also provided an interest bearing and non-interest bearing loan to another subsidiary Panthers Investment Corporation (PIC). Details of the two loans are described in Note 17 & 19 respectively.

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 \$1,584,539 (2011: \$1,423,730). The loan attracts interest at a fixed rate of 9.72% (2011: 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 \$nil (2011: \$4,850) for services provided during the year. The consolidated entity paid \$30,000 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 year, the total cost is \$34,508. The consolidated entity paid \$132,123 to the Newcastle Trades Hall council. William Ferguson and Gary Kennedy are regarded as having an interest. During the year, the consolidated entity purchased a property from the Executive General Manager of Rugby League. The purchase price of the property was \$1,650,000 and represented an arm's length transaction.

28. Key Management Personnel

	2012	2011
	\$'000	\$'000
Total key management personnel compensation	1,735	1,454

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2012
CONTINUED

29. Events After Balance Date

On January 2013 PRLC signed an agreement with ANZ Limited to fund the payout of the total debt to Bodiam RE Limited and replace with bank debt. At the date of this report the total debt with Bodiam RE Limited has been fully repaid and the ANZ debt drawn down.

The debt with ANZ Limited is split into three facilities;

- Cash Advance Facility (1) of \$37m is due for repayment on 30th April 2013.
- Cash Advance Facility (2) of \$11m is due for repayment on 31st May 2013.
- Cash Advance Facility (3) of \$35m is due for repayment on the 29th January 2016

The Directors expect to repay Cash Advance Facilities (1) & (2) before their due date, with the proceeds from the sale of Mekong Panthers, Triglav Panthers and Cardiff Panthers. These sales have been approved by PRLC's members on 10th December 2012, but at the date of this report are awaiting approval from the Regulator. The Directors are confident that regulatory approval will be obtained however, should the Regulator not approve the de-amalgamation of Mekong Panthers, Triglav Panthers and Cardiff Panthers, then the Cash Advance Facilities (1) & (2) will not be repaid with the proceeds of these sales.

PRLC will meet the remaining Cash Advance Facility (3) liability, which is due for repayment on 29th January 2016, through cash generated from its continued operations. The loan is interest only.

No adjustments have been made relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

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 (2011: \$4). At 31 October 2012 such guarantees totalled \$576,236 (2011: \$516,292).

31. Parent Entity Information

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

	2012	2011
	\$'000	\$'000
Current assets	12,648	10,413
Non-current assets	180,870	162,898
Total assets	193,518	173,311
Current liabilities	193,219	14,960
Non-current liabilities	2,256	166,351
Total liabilities	195,475	181,311
Net Liabilities	(1,957)	(8,000)
(Accumulated deficit)/Retained surplus	(1,957)	(8,000)
Total equity	(1,957)	(8,000)
Net profit (loss)	6,043	(5,645)
Other comprehensive income	-	-
Total Comprehensive income (loss)	6,043	(5,645)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2012
CONTINUED

31. Parent Entity Information (cont.)

The parent entity has the following contractual obligations as at 31 October 2012:

The operating lease commitments payable

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

The non-cancellable leases have a remaining term of 9 years and 8 months with option to renew for three further ten years after the expiry of the first option on 23 June 2022. The lease includes a fixed upward revision of the rental charge of 3% on an annual basis. The total outstanding lease commitment at year end is \$149,284,029 (2011: \$162,400,425).

Contingent Liabilities

The parent entity had contingent liabilities of \$437,400 as at 31 October 2012. (2011: \$445,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2012
CONTINUED

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 Cardiff	1/248724 A/366353 1/395842 81/551518 31/614594 162/775974 291/800879 292/800879 91/571092 823/847201 1/20637 2/20637 1/240602 2/240602 3/787275
5 Lavington	27/1014850
6 Bathurst RLC	1/881588
7 Bathurst CBC	26/72/758065 1/247981
8 Wallacia	512/1079728 2/1108408 AC5645-56 (3/18701 and 4/18701)
9 St Johns Park	1/1079685
10 North Richmond	101/873170
11 Glenbrook	357/704602 321/751662

DIRECTOR'S 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 2012 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 2012 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
Chairman

Penrith

20 February 2013



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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 2012, 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.

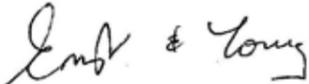
Independence

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

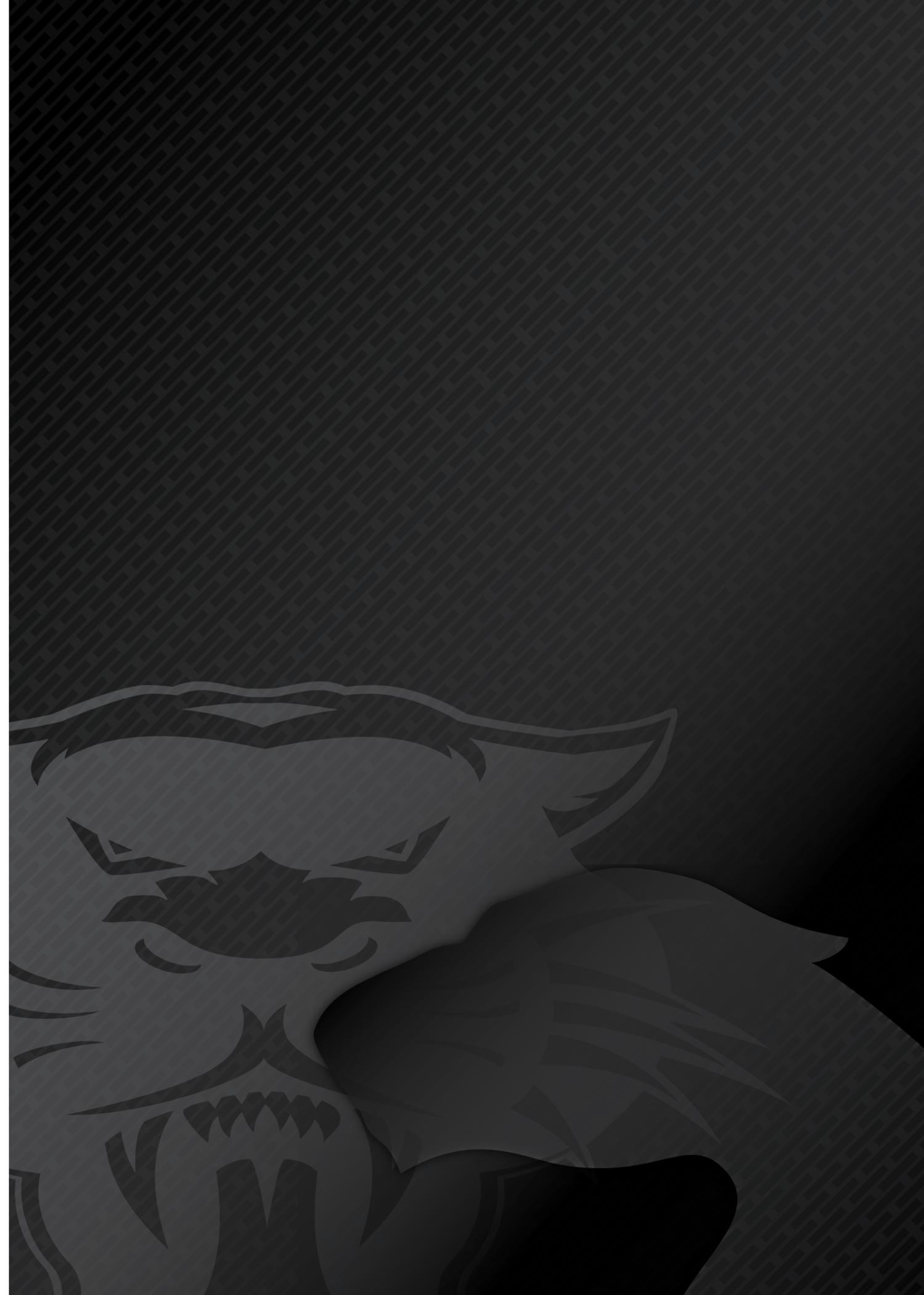
In our opinion the financial report of Penrith Rugby League Club Limited is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the financial position of the consolidated entity at 31 October 2012 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

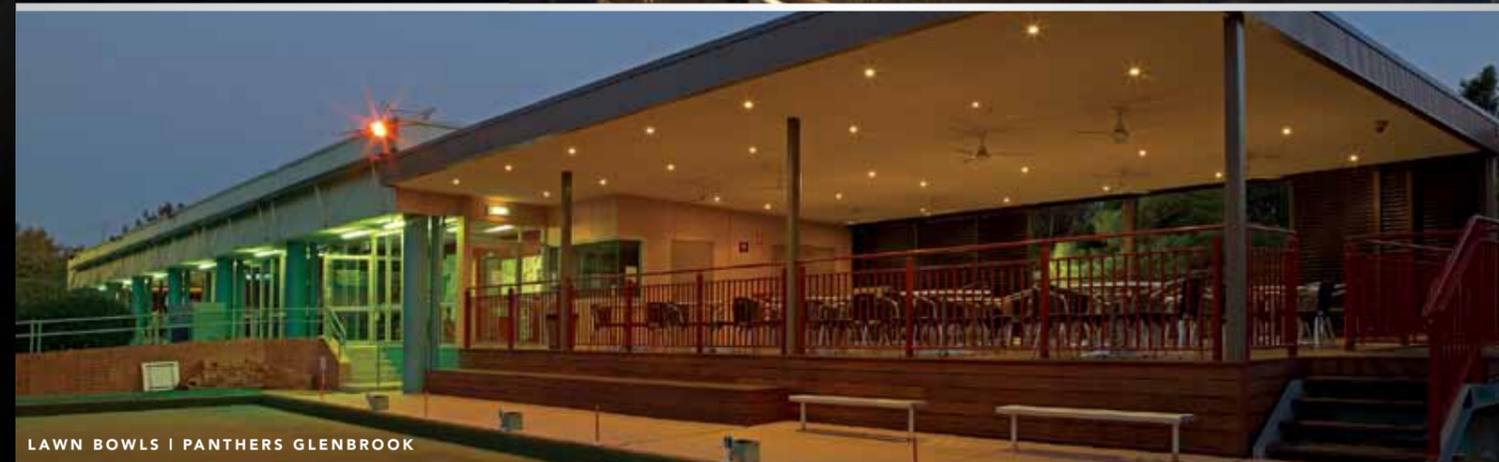

DANIEL CUNNINGHAM
Partner
Sydney
20 February 2013

Liability limited by a scheme approved
under Professional Standards Legislation



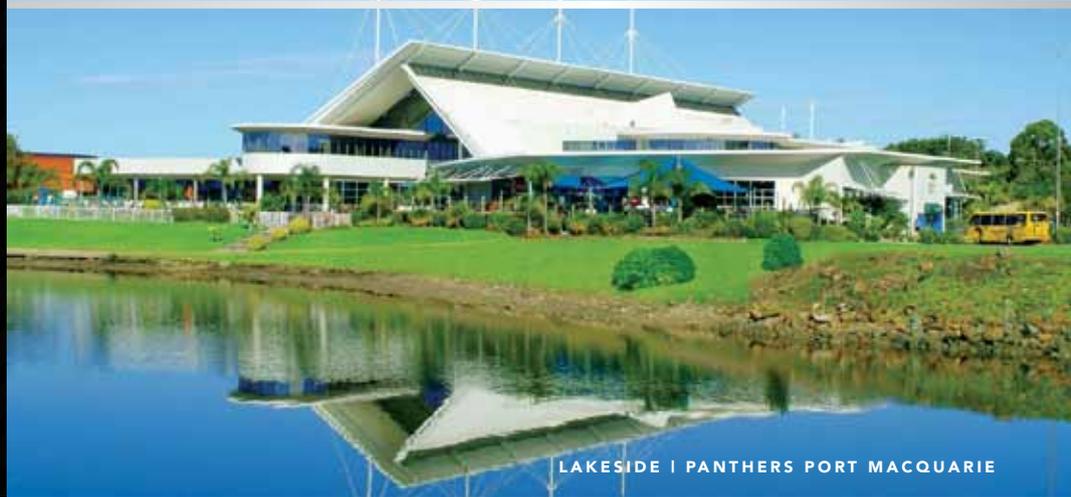


THE TERRACE | PANTHERS PENRITH



LAWN BOWLS | PANTHERS GLENBROOK





LAKESIDE | PANTHERS PORT MACQUARIE



EVENT CENTRE | PANTHERS PENRITH



GOLF | PANTHERS WALLACIA