

ANNUAL REPORT

Penrith Rugby League Club Limited

2013



PANTHERS
GROUP

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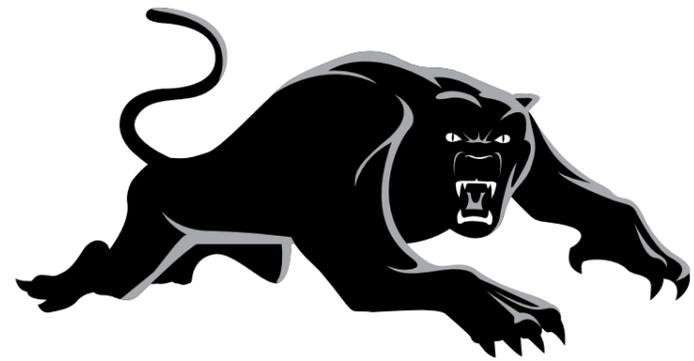
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CORPORATE INFORMATION



Your lifestyle, your club



ACN

000 578 398

Directors

- D. Feltis JP - Chairman
- T. Heidtmann - Senior Deputy Chairman (Deceased 13.8.13)
- J. Hiatt OAM - Deputy Chairman
- B. Fletcher - Deputy Chairman (Appointed 28.8.13)
- G. Alexander
- R. Anderson (Deceased 24.10.13)
- W. Ferguson
- J. Geyer
- G. Kennedy
- K. Lowe (Resigned 30.1.13)
- D. Merrick FCPA/JP
- D. O'Neill (Appointed 30.1.13)
- K. Rhind OAM
- S. Robinson
- W. Wheeler

Registered Office

Mulgoa Road
Penrith NSW 2750

Company Secretary

W Wilson

Bankers

ANZ

Auditors

Ernst & Young

CHAIRMAN'S REPORT

The Group Chief Executive Officer's report highlights a number of key developments and outcomes that were achieved during 2013 and outlines a number of exciting and promising projects that are planned during 2014. This very positive situation was achieved because of effective decision making and accountability at senior management and Board level, which has also generated and fuelled the challenge of further achievement into the future.

With the demanding but stimulating 2013 year of change behind us, the Board is quietly confident as our Group moves through 2014. There will be continued development and benefits at Penrith and around other clubs in the group, as we are able to deliver the major construction and renovation capex itemised in the CEO's report.

Rugby League

Under the experienced leadership of Phil Gould, Phil Moss, Ivan Cleary and their committed management team, the contracting of a number of outstanding NRL players has added to the depth of the existing talented senior playing group.

These signings guarantee the Panthers will be very competitive in 2014 and when a number of exciting young players from the 2013 winning NYC under 20 team are added to emerging junior talent already identified throughout the under 18 and under 16 representative and development squads, a strong future for rugby league is building.

Off the field the many substantial developments corporately within marketing, membership, merchandise, stadium and property development on the Penrith site and other rugby league management operations, have strengthened Panthers position even further and it is very satisfying on behalf of the Board, to acknowledge the significant achievement that is being realised as a result of the forward planning Phil Gould put in place several years ago.

I acknowledge and thank all our business and rugby league partners, our good friends OAK, Hertz, asics and sponsors on all levels. 2014 promises to be an exciting and productive year for our rugby league operations and club operation around the Group. Significant development planned for the Penrith property will result in an NRL Academy, Western Sydney Sport and Community Centre, the rugby league administration, several rugby league fields and hopefully a tennis complex developed on the site.



Penrith Club

On behalf of the Board I sincerely thank our hard working and friendly staff at all levels of the Penrith club and the Panthers Group for their continued commitment and dedication, for without their support and loyalty we could not have achieved the results we have.

Astute leadership and decision making by Chief Operations Officer Sue McNeill, supported by Operations Manager Jason Stone, attained strong financial results in 2013, by focusing the business on membership engagement and what drives customer behaviour and satisfaction. With the appointment of a Group Loyalty and Membership Manager plans are well advanced towards revamping the loyalty program enabling Panthers to be the leader in the club industry with major renovations planned for Penrith and other clubs.

Panthers Group

Many of the tasks and objectives successfully negotiated and managed by Warren Wilson during 2013 were complex and challenging, requiring significant commitment and expertise to bring to conclusion and on behalf of the Board I acknowledge and congratulate him and his senior management team on the outstanding results achieved.

Warren joined the Panthers Group at a very challenging and threatening time and with the Board had to contend with and overcome a number of major obstacles, details of which have been reported to members at previous AGM's over the years. When considering the many negatives faced during those difficult years, it is refreshing and satisfying to acknowledge the highlights that were achieved throughout 2013 and the many exciting and promising projects that will be delivered around the Group in 2014.

During 2013 the Panthers brand was valued at \$46.2m and named number one of the top 20 most valuable sports brands in Australia.* Following this award NRL CEO David Smith advised "For me, this says a lot about the real depth of a club like Penrith and it's about the restructure Phil Gould and Warren Wilson have undertaken, from restructuring their balance sheet to the diversification of the businesses, it's phenomenal..."

I firmly believe the past four years will in time be acknowledged as the most challenging period in the Panthers Group's history and the astute decision making and leadership by Panthers

senior management team comprising Warren Wilson, Phil Gould, Sue McNeill and the Panthers Group Board, has been directly responsible for the Group's recovery and the improved position rugby league, our clubs and members enjoy in 2014.

Summary

It is very satisfying to acknowledge the considerable contribution and leadership given to the Board, rugby league and Panthers Group by our friend, colleague and life member Terry Heidtmann, who recently passed away following a short illness. Deputy Chairman John Hiatt and myself, with Terry formed the Group's Executive and over the several years we were together as a team, we spent many hours on many days discussing and resolving various challenges, with Terry's expertise and vast business knowledge a significant benefit.

With further sadness I also respect and acknowledge the recent passing of Group Director Bob Anderson from North Richmond. Bob was a very popular and dedicated Director and his friendship, strong loyalty and passion for rugby league and Panthers will be sadly missed.

On a brighter note and with pleasure I sincerely acknowledge Directors Keith Rhind and Bill Wheeler who will not be seeking re-election at the March AGM. Keith's involvement with Panthers started back in 1959 and in 1963 he played with Penrith in the inter district rugby league competition. He has been a Director since 1978 and was Chairman in 1983. He was made a Life Member in 1986 and is the proud recipient of the Order of Australia (OAM).

Bill Wheeler worked in defence and served with distinction in the Australian and US Navy for 40 years. He won the Australian Practical Pistol Championship in 1983. He won the Wauchope singles, triples and fours bowls championships and represented at NSW level and has been involved with Port Macquarie Panthers since 2003 as Chairman and served on numerous Panthers Group sub-committees in his capacity as a Group Director.

I congratulate and thank both Bill and Keith for the long service and outstanding commitment they have given to Panthers and on behalf of the Board and members I wish both them and their families all the best and good health into the future.

I also congratulate Director Brian Fletcher on his election during 2013 as Deputy Chairman

CHAIRMAN'S REPORT

CONTINUED

and I acknowledge his welcome addition to the Executive and the significant business and management expertise he provides to the Executive and the Panthers Group.

On and from March 2014 the Football (PDRLFC) Board will reduce from 9 to 7 and the Group (PRLC) Board from 14 to 9. These changes allowed the Panthers Boards to voluntarily conform to Government and Clubs NSW recommendations and for all Directors to attain required qualifications by way of mandatory self education training courses and workshops.

Congratulations are due to Alan Mair, Brad Izzard and Steve Carter on their well deserved nomination for Life membership and I also have considerable satisfaction in acknowledging all our Life Members and the strong commitment and dedication they have given to our organisation over many years.

I once again assure everyone of the Board's continued commitment and determination towards the success of our organisation.

DON FELTS JP
Chairman
Panthers Group

*This year's edition of the Top 20 Most Valuable Australian Sporting Brands; research as conducted by Brand Finance and Landor Associates

CEO'S REPORT

It is pleasing to report a profit of \$12.1m for the year, however, what is significantly more pleasing to report upon, is the story behind the story, which is the improved underlying trends in all aspects of the Group's performance.

I stated in my report last year that 2012 would be remembered as a year of "change" throughout all levels of the Panthers organisation. Whilst 2012 was the year of change, 2013 was the year of "delivery" resulting from those changes.

The 2013 highlights are:

- Bodium RE Ltd as responsible entity for the Torchlight group was removed as the Clubs financier and replaced by ANZ in February 2013 reducing the Group's debt interest rate from 9.853% to 5.73%.

- Mekong, Triglav and Cardiff Clubs were de-amalgamated in April and May 2013. Whilst it was disappointing to have to sell any of the Group's Clubs, especially profitable Clubs, from a financial and survival point of view it was the only option available. The major reasons for de-amalgamating Mekong, Triglav and Cardiff were:

- We identified these three Clubs as having logical buyers ie. Newcastle Wests and Mounties;
- We knew the Clubs would generate a very good sale price which was crucial to significantly reduce debt, which was in turn a requirement of the ANZ bank to support the Panthers Group on an ongoing basis; and
- The earnings that these three Clubs generated would be offset "dollar for dollar" by the reduction in interest payments which therefore resulted in a neutral effect on the Group's cash going forward.

- Debt reduced from \$92.6m to \$48.5m.

- Annual interest reduced from \$7.3m to \$5.0m (This equates to an annualized interest cost of \$2.3m as the debt reduction took place mid-year).

- The number of Companies in the Panther's group was reduced from 27 to 8. This in turn has a number of positives including but not limited to lower accounting and audit costs and simplified management structures.

- Head Office costs have reduced from \$11.2m to \$6.5m.



- Due to the company restructure Land Tax is no longer payable saving approximately \$0.9m pa from 2014 onwards.

- On a "like for like" basis (ie comparing the same clubs, rugby league and head office costs that remain in the group at the end of 2013 against the end of 2012 and 2011) EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) has improved 82.4% against 2012 and 206.25% against 2011.

- The 2013 result was impacted by the cost of restructuring throughout the group which totaled \$3.9m. These costs are "one off" costs and will not be ongoing.

- Brookfield Multiplex have been engaged to assist us with the development of the Penrith precinct. Brookfield Multiplex are world class builders and will ensure the integrity of all of our processes regarding our future developments.

- When Club Nova (now Newcastle Panthers) was amalgamated in the year 2001, the PRLC Board and Management at that time agreed to a deal with Trades Hall (the Union) to pay Trades Hall a substantial annual fee escalating at CPI every year plus free occupation of certain parts of Devonshire House (a building owned by Panthers across the road from the Newcastle Club). This deal was terminated in June 2013 by Panthers transferring ownership of Devonshire House and paying \$2.7m cash to Trades Hall. This means that we were able to exit the agreement for approximately thirty five cents in the dollar and relieve ourselves of the burden of the agreement which had 87 years left to run.

- A new ticketing agreement has been struck with Ticketek who now handle all ticketing for Panthers Clubs and Rugby league games and Penrith Panthers has now been appointed as a full Ticketek agency.

- Visitation at Penrith increased by 8% to 1.4m during 2013.

This sets up 2014 as a very busy year with the following projects scheduled:

- Construction of the Panthers Rugby League Academy and fields which will be completed ready for the 2015 season.

- The commencement of \$5m of renovations at Bathurst Panthers.

- The commencement of \$7m of renovations at Port Macquarie Panthers.

- The commencement of \$2m of renovations at North Richmond Panthers.

- The commencement of \$330k of renovations at Glenbrook Panthers.

- The construction of a new Head Office above the Evan Theatre at Penrith.

- The construction of a new "Dominiques" and a substantial upgrade to the outdoor gaming area at Penrith Panthers.

- The sale of the land and building of Newcastle Panthers with the intention of relocating Newcastle Panthers Club into part of the redevelopment of the precinct. The sale proceeds will be used to further reduce debt. On this note we have entered into a short term option for the sale of 2,500 sqm of land from the northern part of the property.

- Continuing to engage with the NSW Government to match the \$12m from the new Commonwealth Government for the construction of the Western Sydney Sport and Community Centre to which Panthers will contribute a further \$35m.

- The commencement of the \$15m multi-deck car park at Penrith Panthers.

- The complete replacement and upgrade to all computer infrastructure at all sites.

- Further discussions to progress a Seniors Living and Aged Care facility on the Penrith site.

- Further discussions to progress the DFO shopping complex for the Penrith site.

- The opening of IFly in April 2014 on the Penrith site.

- The introduction of Advisory Committees at all Clubs (except Penrith), the reduction of the Group Board from 14 members to 9 members and the reduction in the PDRLFC Board from 9 members to 7 members.

I would like to extend my congratulations to Phil Gould and the entire Rugby League staff and players on a very successful 2013. The structures and plans developed in 2011 and 2012 are now reaping benefits with a very successful 2013 which saw the first grade team one win out of the top eight and the Holden Cup team winning the premiership.

CEO'S REPORT

CONTINUED

2014 is shaping up well with a significant number of younger players pressing their claims for a first grade debut and a number of well-credentialed established first graders joining the Panthers.

I would also like to congratulate Sue McNeill and her entire staff across all of the group clubs and head office staff as they have been constantly challenged and are delivering on those challenges.

The Board of Directors of PDRLFC have been thoroughly rewarded for a number of years of extremely testing business conditions that they have endured and the significant changes they have supported and overseen by being elected unopposed. To our Chairman Don Feltis and his fellow Board members I thank you and congratulate you.

The sad note for the year was the passing of two of our Directors, Terry Heidtmann and Bob Anderson. We will all miss their friendship and contribution to the Panthers.

To Keith Rhind (30 years service) and Bill Wheeler (10 years service) who both retired from the Board this year, thank you very much for your contribution, you both are true gentlemen.

Thank you to all our members, onwards and upwards in 2014.

WARREN WILSON
Chief Executive Officer
Panthers Group

BOARD OF DIRECTORS

DONALD FELTIS JP
CHAIRMAN



TERENCE HEIDTMANN
SENIOR DEPUTY CHAIRMAN
DECEASED: 13.8.2013



JOHN HIATT OAM
DEPUTY CHAIRMAN



BRIAN FLETCHER
DEPUTY CHAIRMAN



GREG ALEXANDER



ROBERT ANDERSON
DECEASED: 24.10.2013



WILLIAM FERGUSON



JAMES GEYER



GARY KENNEDY



KERRY LOWE
RESIGNED: 30.1.2013



DENIS MERRICK FCPA | JP



DAVID O'NEILL
APPOINTED 30.1.2013



KEITH RHIND OAM



STEPHEN ROBINSON



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 2013 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 (deceased 13.8.13), John Hiatt and Brian Fletcher (appointed to the position of Deputy Chairman on 26.6.2013) 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.

Finance and Audit Committee

The Finance and Audit Committee's role is to oversee the financial affairs of the Penrith Rugby League Club Ltd (PRLC Group) and review and make recommendations to the PRLC Board about the financial affairs and policies of the Group. Members of this committee during 2013 were Denis Merrick, Brian Fletcher, Bill Wheeler, and Jim Geyer.

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 Keith Rhind, Terry Heidtmann (deceased 13.8.13), David O'Neill (appointed to the Remuneration Committee on 25.9.2013) and Bill Ferguson.

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 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 (deceased 13.8.13) and Brian Fletcher.

12 OUR CLUBS

Penrith Panthers

123 Mulgoa Road,
Penrith NSW 2750
P: 02 4720 5555
E: information@panthers.com.au

Penrith Panthers is your venue of choice whether you want to eat, drink, stay or play we are your world of entertainment.

We are the biggest and best place to relax with friends and family – come and see us as there is so much on offer for everyone!

There is a great selection of leisure activities including KAOS entertainment arcade, Aqua Golf, Cables Wake Park, kids play area plus so much more.

Every day you can choose from a selection of the traditional club activities such as bingo, raffles, gentle exercises, line dancing, poker, cash housie, trivia, Keno, TAB plus variety of members only promotions such as our weekly Member's Giveaway or Badge Draws.

Relax with a drink in one of the seven great bars all with their own unique atmosphere and offering and by far the standout being the Squire's bar located in the Hub. The Squire's bar has a great selection of beverages, weekly live entertainment, outdoor terrace area surrounded by a beautiful lake and plenty of comfortable lounges, it is so good you will not want to leave.

For the sporting enthusiasts we have TC's Sports bar totally dedicated to watch all the sporting

action on big screen or you might prefer to place a bet at the TAB or enjoy a game of pool which is located in the same area.

EVAN Theatre is a world class theatre that attracts International and Australian music artists regularly to our club. We have played host to stars from all over the world including Bobby Rydell, Carl Barron, Jessica Mauboy and much more!

If you are feeling hungry there are plenty of restaurants and dining experiences available to choose from including our very popular Kelly's Brasserie and Kelly's Café as well as Italian, Asian, Seafood, Steak and modern Australian. The only trouble is making a decision on where to dine!

Our large events centre can cater for all your special occasions, birthdays, weddings, christenings or just about anything. Our friendly meetings and events team are happy to discuss your personalised needs.

Penrith Panthers is a business events destination in its own right. We offer a selection of purpose-built indoor conference and meeting rooms plus one of the largest marquees in Sydney – we also have the convenience of parking for over 500 cars.

And....if all of this excitement makes you tired we have the Chifley Hotel located directly next door where you can book a room for the night. The Chifley Penrith features 223 guest rooms and suites which offer a wide range of accommodation to suit all travellers.



Bathurst Panthers

132 Piper Street,
Bathurst NSW 2795
P: 02 6330 0600
E: bathurst@panthers.com.au

Bathurst Panthers is located in Central West of New South Wales, with big club features and a warm country welcome, where you will always feel right at home.

The clubs heritage goes back to its days as the local leagues club and continues the role in the community today supporting the local rugby league and other sporting teams in the Bathurst region. The club also has strong connections with a range of community groups, sub-clubs and charities.

Catch up with friends for a bite to eat from Duncan's Bar and Grill with a great selection of meals on the menu, or relax with a drink from the sports bar where you can sit back and catch up on the latest sporting moments.

There is a wide range of traditional club activities available such as bingo, raffles, free pool, cash housie, poker, social snooker and darts competitions, TAB, Keno and live entertainment from Australian and International artists.

We also have function facilities to cater for your events, special occasions, birthdays, weddings or just about anything. Contact our functions manager to discuss your personalised requirements.



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CONTINUED

Glenbrook Panthers

Hare Street,
Glenbrook NSW 2773
P: 02 4739 1711
E: glenbrook@panthers.com.au

Glenbrook Panthers is located in the majestic Blue Mountains and is the perfect place to stop to explore the village of Glenbrook or when travelling through to various locations in the Mountains.

Enjoy a bite to eat at Flavours Café with a great selection of options available on the menu. Bring the whole family as the kids will be entertained in the dedicated kids play area or simply relax and enjoy a drink in the sunshine on the terrace and simply watch the world go by.

Perhaps a game of bowls is on your agenda. We have fabulous bowling facilities available, why not have a social game or join the local team. If watching sports is more your pace, you can sit back and catch up on the latest sporting moments whilst lounging in our bar.

If you are looking for exciting club activities we have our regular bingo, raffles, live entertainment on Friday nights plus members only promotions. We also have facilities available to cater for your special occasions, birthday, christening, wedding, wake or social club get together. We pride ourselves on attention to detail and would be happy to discuss your function requirements, come in and see our friendly staff.



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CONTINUED

Lavington Panthers

795 Centaur Road,
Lavington NSW 2641
P: 02 6057 1400
E: enquiries.lavington@panthers.com.au

Lavington Panthers is located in the beautiful Albury / Wodonga region, the club offers a small club atmosphere with large club features. Relax with family and friends, grab a bite to eat at our Brasserie or enjoy a drink at the bar while you listen to your favourite tunes on the jukebox. We can even provide you with a lift home in our complimentary courtesy bus. If you are looking for exciting club activities we have our regular bingo, raffles, poker plus members only promotions. We have large function facilities to cater for your events, special occasions, birthdays, weddings or just about anything. Come in and see our friendly staff who always have time to stop for a quick chat.

**North Richmond Panthers**

33 Beaumont Avenue,
North Richmond NSW 2754
P: 02 4560 5000
E: information.northrichmond@panthers.com.au

North Richmond Panthers is located in the heart of the Hawkesbury Valley at the foot of the Blue Mountains with a small club atmosphere and big club facilities. Come in and see our friendly staff who will always greet you with a smile. Catch up with family and friends, enjoy a bite to eat at Flavours Café, take time out and relax with a drink in the alfresco area and take in the mountain views. If you are looking for exciting club activities we have our regular bingo, trivia and raffles, plus live entertainment on Friday and Saturday nights. We even have our indoor games room to keep the kids entertained. We also have function facilities to cater for your events, special occasions, birthdays, weddings or just about anything. Enquires can be made a club reception.

**Newcastle Panthers**

Corner Union and King Streets,
Newcastle West NSW 2302
P: 02 4926 6200
E: newcastle@panthers.com.au

Step into the award winning Newcastle Panthers located in Newcastle's central business district and you will be amazed with what you will find. Newcastle Panthers is open seven days a week with plenty for everyone. Enjoy cooked to order meals from the bistro for lunch and dinner or grab a coffee and cake while you relax in the lounge. With a history rich in quality entertainment we have a wide range of entertainment options, including an impressive rotation of national and international touring acts. There is also a variety of exciting club activities such as hoi, bingo, raffles, chess, darts, carpet bowls, just to name a few. If you are looking for something a bit more casual there's also the pool tables in the bar area, regular sports showing on the big screen, TAB, Keno DJ's every Saturday night and free WiFi. The club is within walking distance to nearby accommodation and has a large free undercover car park. Newcastle Panthers has versatile Meeting and Event facilities to cater for your special occasions, birthdays, weddings or just about anything. Come in and see our friendly staff who are always available to here to stop for a quick chat.

Best Club Entertainment Award (Medium Club) - ClubsNSW Awards for Excellence - 2010 Winner, 2011 Winner, 2012 Finalist.
Young Business Executive - Hunter Business Awards - 2013 Finalist



OUR CLUBS 15

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Port Macquarie Panthers

1 Bay Street,
Port Macquarie, NSW 2444
P: 02 6580 2300
E: portpanthers@panthers.com.au

Port Macquarie Panthers overlooks the pristine waters of the beautiful Hastings River. The club has a strong community focus and proud history stretching over 65 years. The club is the heartbeat of our local community and always strives to deliver the best in customer service and traditional club activities. Whether you are living or holidaying in the area, or simply passing through come in and see what we have to offer. Our friendly staff will always greet you with a smile. Catch up with friends and enjoy a bite to eat at the Bay Street Brasserie where you will find a great selection of food available on the menu or take time out and relax with a coffee and cake from the Bay Street Café. Bring the whole family there is something for everyone. Are you looking for exciting club activities, we have our regular bingo, raffles, poker, snooker and darts competitions, bridge, gentle exercises, sporting action on the big screen plus members only promotions. If you prefer a slower pace, grab a drink from the bar and relax in the outdoor terrace area and soak up the sunshine and breathtaking water views. We are the club in the region that boasts the largest and most accommodating entertainment venue that attracts both International and Australian musical artists. We also have facilities available to cater for your special occasions, birthday, christening, wedding, wake or social club get together. We pride ourselves on attention to detail and would be happy to discuss your function requirements, come in and see our dedicated events team.



16 OUR CLUBS

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Port Macquarie Panthers Sports

Boundary Road, (off Hastings River Drive)
Port Macquarie, NSW 2444
P: 02 6584 9276
E: portpanthers@panthers.com.au

Port Macquarie Panthers Sports is a small and very friendly club with something for everyone. The club boast three meticulously maintained top quality greens, and is the home to regular games by Port Macquarie Panthers Men's and Women's Bowling associations.

With a very relaxed coastal location and casual atmosphere you will feel right at home when you walk through the door.

Why eat at home when you can enjoy delicious home style meals on the menu at Palms Café which is open every day for lunch and dinner. Bring the family along and challenge the children to a round of Putt Putt Golf, test your skills on the Hydro Golf Range, battle it out over game of Barefoot Bowls or let the children burn off some energy on the play equipment.

If you are looking for a slower pace you can simply relax in the air-conditioned club house or in the quiet garden surrounds.

There are the traditional club activities on offer such as bingo, raffles, TAB and sky channel to keep you entertained, plus our regular quality live music.



Wallacia Panthers

13 Park Road,
Wallacia, NSW 2745
P: 02 4773 8417
E: wallacia@panthers.com.au

Wallacia Panthers boasts an 18 hole championship golf course and a small friendly club with a county atmosphere. You can enjoy a bite to eat at the cafe, free entertainment every Friday evening weekly activities such as raffles, bingo, poker and more exciting member's only offers and promotions.

Relax and enjoy a quiet drink with family and friends on the outdoor terrace that boasts has stunning views of the golf course.

The club is located at the foot of the Blue Mountains and National Parks, Warragamba Dam and the Nepean River just a short drive away. A perfect place to stop to take a break if you are in the area.



PANTHERS' COMMUNITY

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We would like to share with you some of the many thank you notes we have received from the support we provided to our community . Our support truly makes a difference to these organisations and their recipients.

Panthers are very proud of the Panthers on the Prowl Community Development Foundation, which was formed in 2002 and thus celebrated its 11 year anniversary in 2013. The Prowl supports a large number of children and families within the Penrith region, with their diverse range of programs and activities.

The Prowl currently run six community programs, delivered by a staff of four specialist teachers, aimed at enhancing opportunities for young people and their families, to develop self-esteem and to become positive role models within the community.

For the primary school students that attend our programs, education, social and life skills are the main focus within the purpose built classroom at Centrebet Stadium. Panthers players can become role models for the students as they participate in classroom activities on a weekly basis.

The "OAK Healthy Active Lifestyles Program" which is taken to three different schools each term, teaches the benefits of good nutrition, health and regular exercise to primary school students, with very impressive statistics to back up improved fitness levels.

For adults who have limited knowledge of computer skills, the Prowl runs free Adult

Computer Literacy classes in the day and evening throughout the year, which has proven to be 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 Careers Program. This program raises awareness about different career paths, employment opportunities, training available and alternate education options for students to consider.

The Prowl also delivers "family skills" and "conflict resolution" workshops in local schools for parents to attend.

The highlight of the year in 2013, was the Panthers on the Prowl Kokoda Leadership Project, when seven teenagers from local high schools in the Penrith area were chosen to trek the Kokoda Trail in PNG, with Panthers coach Ivan Cleary, NRL players Tim Grant and Jamie Soward.

The mentorship and leadership skills provided by them and corporate sponsors on the tour had a significant impact on these teenage boys.

Brad Waugh
General Manager
Panthers on the Prowl



PANTHERS' COMMUNITY

CONTINUED

Thanks to Penrith Panthers, Learning Links will be running free workshops for parents in the Penrith area on "Understanding Bullying". Bullying is a great concern in schools and can have long-lasting and sometimes devastating effects on the children. Parents will learn about the different types of bullying, the warning signs and the available community support networks. Importantly, the workshops will also equip parents to support their child if bullying occurs.



Jo Rowntree
Manager, Trusts & Funds
Learning Links

The Leukaemia Foundation doesn't receive any ongoing government funding and without the help of the local community, it wouldn't be able to continue providing personalised support to patients and their families. Those undergoing treatment have a weakened immune system, so being driven to and from treatment safety is imperative to recovery. Volunteers drive patients to treatments centres, making a total of 13,514 patient trips for 669 families throughout NSW and ACT. Funds received are used on car accessories which help to maintain the transport cars, also ensuring that they are safe



Gail Ladner
Community Relationships
Sydney & Sydney West Leukaemia Foundation
Vision to Cure Mission to Cure

TAD is the only charity in NSW which provides affordable, customised support equipment for people with disabilities. We would not be here today without the wonderful support we receive from community organisations such as Penrith Panthers.

The \$4,250 TAD received from Penrith Panthers for our "Freedom Wheels" project has enabled us to provide specially modified Freedom Wheels bikes for children with disabilities in the Penrith region. These items not only help to strengthen their muscles, they also enable the child to interact and play with friends and siblings.



For more information about TAD visit:
www.tadnsw.org.au
Fran
TAD Disability Services

Penrith Community Kitchen is a non-government funded charity. We provide a friendly and safe environment to the less fortunate in our local community.

The kitchen is open week days between 11.30am and 1.30pm serving hot meals. Our biggest financial commitment is the rent we pay for our premises located at the Penrith Community Youth Centre. We would not be able to open our kitchen to the community if we didn't have the funding from Panthers. This financial support is put towards our rent for the



next twelve months. This is amazing assistance for our organisation, thank you Panthers.
Catherine Craig OAM
Coordinator
Penrith Community Kitchen - PCYC Building

Connect Child & Family Services provides a mobile toy library lending service through its community hub in Penrith. This year we were fortunate to receive funding from Panthers. This funding has provided Connect the opportunity to purchase resources used for lending in the toy library which supports the development of culturally diverse, aboriginal, disadvantaged and disabled young children and their families. If you would like more information about the services available please contact Connect on 47589966.



Dianne Hogden JP
General Manager
Connect Child & Family Services Inc.

Mental Health Development Inc. is a non profit incorporated association working to improve outcomes for mental health consumers living with complex trauma and dissociation. We offer support groups for people living with dissociation and provide education and information on dissociative disorders for professionals working with trauma survivors.

Receiving the funding from Panthers has meant that we have been able to conduct more publicity about our groups and progress to undertaking professional training to raise awareness of the needs of people healing from complex trauma. It may have been a relatively small amount, but it has made a huge difference to our activities and we are very grateful that the Clubgrants program exists to give a kickstart to small projects as well as the bigger sporting enterprises.

Glynis Szafraniec
General Manager
Mental Health Development Inc

PANTHERS' COMMUNITY

CONTINUED

The wonderful assistance provided by Panthers Penrith in the 2013 has allowed Cerebral Palsy Alliance Kingswood to purchase a full range of slings for use onsite. These include slings for children in a range of styles and sizes, as well as for adults. Over the months since the slings were purchased, therapists and families have been able to trial and recommend the safest transfer method possible for children and adults using our services and provide support and recommendations for the correct equipment to be used in the home and community environments. Without the funding grant, these slings would have taken much longer to be available to the community living with Cerebral Palsy in the Western Sydney Region.

The ongoing health concerns associated with living with a complex, permanent disability can create great emotional and financial strain on families in the Western Sydney area. Access to appropriate manual handling equipment along with timely safe lifting and back care education is an important part of the service provided by Cerebral Palsy Alliance. Ensuring families have early advice and assistance to use safe lifting practices in their daily routine, can assist to maintain the dignity, safety and well-being for people with a disability who rely on others to assist with transfers.

Many families have already begun to benefit from the new and improved range of slings available. We would like to thank Penrith Panthers for their wonderful support of our service and for assisting to improve the lives of people with disabilities and their families living in Western Sydney. Our sincere thanks to all at Panthers who facilitated the purchase of this life changing equipment.



Leanne Clayton
Manager
Lifepoints.

PANTHERS' COMMUNITY

CONTINUED

Panthers proudly supports the following organisations:

1st Blaxland Scouts
 Australian Foundation for Disability
 Awards Australia
 Bathurst Basketball
 Bathurst Community Club
 Bathurst Community Transport
 Bathurst District Sports and Rec Council
 Bathurst District Cricket Assoc
 Bathurst Harness Racing Club
 Bathurst JRN Hockey Day
 Bathurst Junior Cricket Assoc
 Bathurst Knockout 2013 Football
 Bathurst Lifeline
 Bathurst Panthers Football Club
 Bathurst Panthers Junior RL
 Bathurst Panthers Netball
 Bathurst Seymour Centre
 Bathurst Snooker Club
 Bathurst Womens Housing
 Bathurst Lions Club Miracle Appeal
 Blaxland Bush Fire Brigade
 Blaxland Football Club
 Blaxland Warrimoo Netball Club
 Blue Mountain Creative Art Centre
 Blue Mountain Football Club
 Blue Mountains Lantern Club
 Boronia Bowls
 Bravehearts - Port Macquarie
 BWCR
 Camp Quality
 Cancer Council
 Carevan Foundation
 Central West Care Café
 Central West Foster Carers
 Cerebral Palsy Alliance
 Charles Sturt University

Coles Gift Vouchers
 Connect Child & Family Services Inc
 Country Rugby League
 CSU Womens Hockey
 CWC Home Maintenance
 Daffodil Cottage
 David Best - Special Olympics
 Dennison College Kelso High
 Diabetes Australia
 Dr Graham Hadfield
 Dum Attak - Workshop for Mid North Coast Kids
 Eglinton All Stars Netball
 Emu Heights Public School
 Endeavour House
 Euroka Childrens Centre
 Evans Community Options
 Fight Cancer Foundation - Albury Public Appeal
 Foundation for Sports Men & Women
 Gideons Australia
 Glenbrook Blaxland Cricket Club
 Glenbrook Blaxland RSL Sub Branch
 Glenbrook Darts Club
 Glenbrook Men's Bowling Club
 Glenbrook Panthers Male bowlers
 Glenbrook Panthers Womens Bowling Club
 Glenbrook Public School
 Group 10 Junior League
 Hastings Womens & Children's Refuge
 Hawkesbury Liquor Accord Committee
 Hawkesbury Liquor Accord Committee
 Hunter Breast Cancer Foundation
 Hunter City Invitational Dart Association
 Hunterlink Recovery Services

Inner Wheel Club of Port Macquarie
 Junior National Games
 Kalianna Enterprises
 Kurrajong & District Hospital Society Inc
 Kurrajong Public School
 Lavington Panthers Basketball Club
 Lavington Panthers Bowling Club
 Lavington Panthers Cricket Club
 Lavington Panthers Football Netball Club
 Lavington Panthers Womens Bowling Club
 Learning Links
 Lee Hostel Blayney
 Legacy Australia
 Life Education
 Lower Mountain Neighbourhood Centre
 Luke Priddis Foundation
 Macquarie Philharmonic Inc
 Meal on Wheels
 Men of Legue
 Mens Vet Hockey
 Mental Health Development Incorporated
 Mercy Health Palliative Care Unit
 Merewether Rugby
 Mid North Coast TAFE
 Model Boat Club
 National servicemen's Association of Australia
 Nepean Community & Neighbourhood Services
 Nepean Evening View Club
 Newcastle & Hunter Rugby Union Inc
 Newcastle City Council
 Newcastle Darts Club
 North Coast Vision - Port Macquarie High School
 North Richmond Cricket Club

Nova Employment & Training Program
 NSW Police (Hawkesbury LAC)
 Ozwac
 Panthers Cricket Club Inc
 Panthers Fishing Club
 Panthers Hospital Visitation Group
 Panthers on the Prowl
 Panthers Social Euchre
 Panthers Social Golf Club
 Penrith And District Junior Rugby League Club Limited
 Penrith Business Advisory Centre
 Penrith Community Kitchn
 Penrith Disabilities Resource Centre (NADO)
 Penrith District Netball Association
 Penrith District Rugby League Football Club Ltd
 Penrith Valley Sports Foundation
 PFD - Christmas Day on the Beach
 Port City Combined Probus Club
 Port City Rugby League Football Club
 Port Macquarie & District War Widows Guild Club
 Port Macquarie Ex Servicewomen's Association
 Port Macquarie Football Club
 Port Macquarie Hastings Legacy Club - Junior Legacy
 Port Macquarie Hastings Council
 Port Macquarie Hastings Legacy Club Limited
 Port Macquarie Hastings Legacy Laurel Club
 Port Macquarie Neighbourhood Centre
 Port Macquarie Orchid & Bromeliad Society
 Port Macquarie Panthers Ballroom Dancing Group

Port Macquarie Panthers Bridge Club
 Port Macquarie Panthers Camera Club
 Port Macquarie Panthers Darts Club
 Port Macquarie Panthers Mens' Bowling Club
 Port Macquarie Panthers Netball Club
 Port Macquarie Panthers Snooker & Billiards Club
 Port Macquarie Panthers Social Golf Club
 Port Macquarie Panthers Womens Bowling Club
 Port Panthers Pigeon Club
 Port Panthers Pirates Cricket Club
 PCYC Look Up Charity Day
 Quota Bathurst
 RAAF Association
 Retired Officers Club
 Rhythm Review
 Rotary Club of Nepean
 Rotary Club of Penrith
 Rotary Club of Port Macquarie
 RSL Port Macquarie Sub-Branch
 RSL Womens Auxillary
 S Walker Concert
 Sailability
 Save the Children Australia
 Scouts Bathurst
 SES Evacuation Centre
 Shine for kids
 St Agnes High School
 St Agnes Primary School
 St Finbars Catholic School
 St Josephs Regional College
 St Monica's Richmond School & Parish
 St Paul's High School
 St Peters Primary School

Staff Charity Golf Day
 TAD Disability Services
 Telstra Careflight
 The Australian Mastocytosis Society
 The Chris O'Brien Lifehouse RPA
 The Leukaemia Foundation
 The Womens Cottage
 Toastmasters
 Western NSW Panathers Football Club
 Westpac Helicopter Service
 Woolworths Gift Vouchers
 WRAS
 YMCA of Sydney
 YMCA of Sydney out of hours care
 York Public School

PANTHERS' COMMUNITY

CONTINUED

PANTHERS' COMMUNITY

CONTINUED



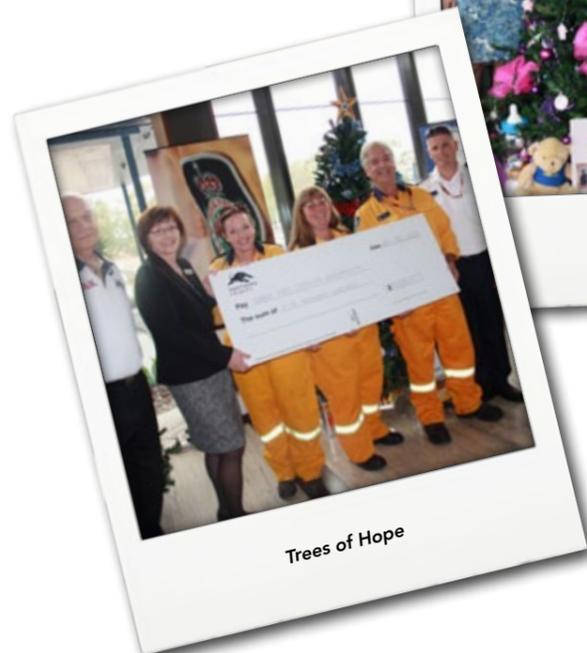
Panthers Netball Club



Panthers on the Prowl



OZWAC



Trees of Hope



Women in League

DIRECTORS' REPORT

CONTINUED

Your directors submit their report for the year ended 31 October 2013.

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>	Director for 12 years. Chairman since 2008. Lifelong resident of Penrith. Compliance and Legal Co-ordinator to Penrith Junior League. Member of Sub-Judiciary, Constitution and Executive sub-committees. Delegate to NRL, NSWRL and Clubs NSW. Life member of Panthers, Penrith Junior League, NSW Rugby League, NSW Junior Rugby League and NSW Police Association. Chairman of Foundation for Disabled Sportsmen and Sportswomen. Chairman of Panthers on the Prowl. Extensive experience in business management including 28 years In rugby league administration.
Terence Heidtmann <i>Deputy Chairman</i> Deceased: 13.8.13	Director for 30 years. 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. Currently proudly serving on the Executive Committee as a Deputy Chairman whilst holding office on several sub- committees of the Board along with a 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 10 years. Retired Magistrate, Solicitor, Member of the Judiciary, Donations and Constitution sub-committee. Member of the Executive sub-committee. Chairman of Hawkesbury Race Club Limited and Principal Member of the New South Wales Racing Appeals Panel.
Brian Fletcher <i>Deputy Chairman</i> Appointed: 28.8.13	Director for 3 years. CEO and Life Member of Hawkesbury Race Club Limited. Life Member of Coonamble Race Club. Director of the Foundation for Disabled Sportsmen and Sportswomen. Victor Chang Foundation Ambassador.
Gregory Alexander	Director for 11 years. Involved with football in Penrith area for 40 years. Penrith's "Rookie of the Year" in 1984. Won the prestigious Dally 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.
Robert Anderson Deceased: 24.8.13	Director for 10 years. Member of Panthers North Richmond for 20 years.
William Ferguson	Director for 3 years. Member of Newcastle/Cardiff Advisory Committee for 8 years. Retired Research/Industrial Officer of NSW Public Service Association (32 years). Trustee of Newcastle Trades Hall Council. Current member of the Remuneration sub-committee.
Jim Geyer	Director for 12 years Technical Director in the computer industry. University Lecturer for 32 years (retired 27.1.07). Member of Bathurst Panthers Advisory Committee for 14 years.

DIRECTORS' REPORT

CONTINUED

Names	Qualifications
Gary Kennedy	Director for 11 years. Secretary of Newcastle Trades Hall Council. Director of Hunter Development Corporation, Director of Regional Development Australia (Hunter), Director of Industry Development Centre and Chair of the Human Resource Committee, Treasurer Disability Advocacy and Advocacy Law Alliance NSW, Director of Labour Cooperative Ltd. President of the Newcastle Panthers Advisory Committee for 8 years and a director for 12 years
Kerry Lowe Resigned: 30.1.13	Director for 12 years. Semi-retired. Chairman of the Remuneration and Marketing committees. Panthers delegate. President of Camden Valley Golf Resort. Association with Panthers for over 30 years.
Denis Merrick FCPA JP	Director for 6 years. Director for Certified Practising Accountant (Retired). Principal in accounting firms in Penrith for over 40 years. Over 30 years' experience in administration of sporting bodies. Life Member of Lower Mountains Junior Rugby League club. Qualified Rugby League Coach and Referee. Accredited official with Swimming Australia. Swimming Life member of a local club and district association. Panthers member since 1973. Chairman of the Finance and Audit sub-committee. Member of the Constitution and Sub-Judiciary sub-committees.
David O'Neill Appointed: 30.1.13	Director for 1 year. Managing Director of ABCOE Distributors, Penrith. Panthers sponsor since 2008. Current Director of Panthers on the Prowl.
Keith Rhind OAM	Director for 38 years including 25 years in executive positions including Chairman 1983. Rugby League administrator for three years. Member since 1959. 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.
Stephen Robinson	Director for 3 years. Panthers Member for 35 yrs. Nepean Triathlon Committee (1980-82). Penrith Panthers Rugby League Team Management (1983-88). National Sales Manager for Mining, Agricultural and Industrial Transmission company, with 37 yrs business knowledge and experience. Former NRL Accredited Player Manager/ Agent (1989-2011). Licensee of a family owned & operated 29 place Child Care Centre in the Penrith CBD.
Bill Wheeler	Director for 6 years. Degree in Mechanical Engineering, with 41 years experience and has 47 years experience in business management and administration. Currently, Chairman of Port Macquarie Advisory Committee for 8 years, Advisory Committee member for 10 years, current member of the Panthers Group Finance and Audit sub-committee and Secretary of the Port Macquarie Panthers Bowling club for 8 years.

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 1,063 employees as at 31 October 2013 (2012: 1,086).

Review and Results of Operations

The net profit before tax for continuing operations for the Group for the year was \$9,271,000 (2012: net deficit of \$17,210,000) after amortisation and depreciation charge from continuing operations of \$13,902,000 (2012: \$14,366,000), and an interest charge of \$5,009,000 (2012: \$7,322,000).

The net profit before tax for continued operations includes:

- An increase in revenue from operating activities of \$3,353,000 or 3% to \$121,957,000 (2012: \$118,604,000).
- A decrease in employee salaries, benefits and related taxes of \$565,000 or 1% to \$44,846,000 (2012: \$45,411,000) related to the ongoing restructure of the group.

The net profit from continuing operations increased by \$18,584,000 or 217% to a net profit of \$10,012,000 (2012: net loss of \$8,572,000).

The tax benefit for the year was \$741,000 (2012: \$8,638,000).

Dividends

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

Significant Changes in the State of Affairs

On 20 February 2013, the ANZ Limited debt was drawn down and the total debt with Bodiam RE Limited was repaid. The debt with ANZ Limited was split into three facilities:

- Cash Advance Facility (1) of \$37m was repaid on 3rd April 2013.
- Cash Advance Facility (2) of \$11m was repaid on 8th May 2013.
- Cash Advance Facility (3) of \$35m is due for repayment on the 29th January 2016.

Penrith Rugby League Club 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.

In June 2013 Panthers transferred ownership of the Devonshire House property and paid \$2.7m cash to the Trades Hall Council and as a result exited an MOU agreement for an annual fee that increased each year by CPI and had 87 years remaining. The agreement also involved the up-keep and running costs associated with Devonshire House.

Mekong Panthers, Triglav Panthers and Cardiff Panthers were successfully de-amalgamated in April and May 2013.

Significant events after balance date and likely developments and expected results

On 24th December 2013, Penrith Rugby League Club entered into a short term option on the sale of 2,500 sqm of land at the Newcastle Panthers property.

There have been no other significant events occurring after the balance date which may affect either the Company's operations or results of those operations or the Company's state of affairs.

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 ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

Measurement of Success

The club measures success by focusing on five key areas

1. The Financial Performance of the Club

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

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

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

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

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

4. Employee Satisfaction

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

The Clubs Main Achievements during the Year

- Bodium RE Limited as responsible entity for the Torchlight Group was removed as the clubs financier and replaced by ANZ in February 2013; reducing the group's debt interest rate from 9.853% to 5.73%.
- Mekong Panthers, Triglav Panthers and Cardiff Panthers clubs were successfully de-amalgamated in April/May of 2013.
- Debt was reduced from \$92.6m to \$48.5m.
- The consolidated group's year on year improvement from the prior year was attributable to the elimination of 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:

	Group Board	Football Club Board	Finance & Audit Committee	Remuneration Committee	Corporate Real Estate Committee	Club Grants Committee
Number of meetings held	12	12	3	1	1	10
Number of meetings attended						
D Feltis JP	12	12	-	-	-	1*
T Heidtmann	7	7	-	-	1	6
J Hiatt OAM	12	12	-	-	-	9
B Fletcher	11	11	2	-	-	-
K Rhind OAM	10	10	-	-	1	-
D Merrick FCPA JP	11	11	3	1	-	-
D O'Neill	9	9	-	1	-	1
G Alexander	5	6	-	-	-	-
J Geyer	11	-	3	-	-	-
G Kennedy	5	-	-	-	-	-
W Wheeler	12	-	3	-	-	-
S Robinson	12	12	-	-	-	-
W Ferguson	9	-	-	-	-	-
R Andersen	8	-	-	-	-	-
K Lowe	3	3	-	-	-	-

* In his capacity as Alternate Director of Club Grants Committee

Auditor's Independence Declaration

The directors have received a declaration of independence from the auditor and this is attached on page 24. 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 JP
 Chairman
 Panthers Group
 7 February 2014



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Fax: +61 2 9248 5959
ey.com/au

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 2013 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

7 February 2014

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 OCTOBER 2013

	Notes	2013 \$'000	2012 \$'000
Revenue/Income from Continuing Operations	4(a)	144,503	118,931
Raw materials and consumables used		(12,217)	(13,686)
Employee benefits expense	4(d)	(44,846)	(45,411)
Gaming machine tax		(14,143)	(13,894)
Depreciation expense		(13,902)	(14,366)
Impairment expense		(5,516)	-
Finance costs expensed	4(c)	(5,009)	(7,322)
Electricity expense		(3,755)	(3,306)
Artists and entertainment expenses		(1,901)	(2,645)
Repairs and maintenance		(2,436)	(2,287)
Payroll related taxes		(2,945)	(2,913)
Member promotions and membership expense		(2,487)	(2,593)
Donations		(1,221)	(1,252)
Sponsorship		(1,765)	(1,570)
Insurance expense		(1,169)	(1,248)
Other promotions		(983)	(884)
Rent and rates		(1,130)	(1,429)
Advertising expense		(1,053)	(1,222)
Land tax		(868)	(829)
Computer expenses		(685)	(676)
Junior development		(654)	(667)
Bad and doubtful debts expense		-	(533)
Other expenses	4(b)	(16,547)	(17,408)
Profit/(loss) before tax from continuing operations		9,271	(17,210)
Income tax benefit	5	741	8,638
Profit/(loss) before tax from continuing operations		10,012	(8,572)
Discontinued operations			
Profit after tax for the year from discontinued operations	6	2,114	7,009
Profit/(loss) for the year		12,126	(1,563)
Surplus attributable to non-controlling interest		-	1,261
Surplus/(Deficit) attributable to members of Penrith Rugby League Club Limited		12,126	(2,824)
Other comprehensive loss for the year		-	-
Total comprehensive profit/(loss) for the year		12,126	(1,563)

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

30 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 OCTOBER 2013

	Notes	2013 \$'000	2012 \$'000
Assets			
Current Assets			
Cash and cash equivalents	7	4,991	7,790
Trade and other receivables	8	1,229	1,406
Inventories	9	1,163	1,140
Other assets	10	1,153	2,015
Net Assets held for sale	6	4,327	21,495
Total Current Assets		12,863	33,846
Non-Current Assets			
Trade and other receivables	11	57	58
Investments	12	230	230
Property, plant and equipment	13	211,464	226,412
Deferred tax assets	5	1,248	1,003
Poker machine licences	14	304	329
Other Assets	10	1,469	1,894
Total Non-Current Assets		214,772	229,926
Total Assets		227,635	263,772
Liabilities			
Current Liabilities			
Trade and other payables	15	3,676	5,847
Provisions	16	4,252	4,184
Interest bearing liabilities	17	6,827	63,753
Other liabilities	18	16,589	18,497
Total Current Liabilities		31,344	92,281
Non-Current Liabilities			
Provisions	20	479	227
Deferred tax liabilities	5	6	514
Interest bearing liabilities	19	41,675	28,867
Other liabilities	21	695	573
Total Non-Current Liabilities		42,855	30,181
Total Liabilities		74,199	122,462
Net Assets		153,436	141,310
Equity			
Retained surplus		153,436	141,310
Total Members Interest in Equity		153,436	141,310
Total Non-Controlling Interest		-	-
Total Equity		153,436	141,310

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

31 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2013

	Retained Earnings \$'000	Total Equity \$'000
At 1 November 2011	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 converted 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 2012	141,310	141,310
Surplus for the year	12,126	12,126
Other comprehensive loss	-	-
Total comprehensive profit for the year	12,126	12,126
At 31 October 2013	153,436	153,436
	2013 \$'000	2012 \$'000
Attributable to:		
Members of Penrith Rugby League Club Ltd	153,436	141,310
Non-controlling interest	-	-
Total	153,436	141,310

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 2013

	Notes	2013 \$'000	2012 \$'000
Operating Activities			
Receipts from customers, sponsorships and grants		133,591	161,315
Payments to suppliers and employees		(126,501)	(151,351)
Interest received		191	245
Finance costs		(5,009)	(7,335)
Net cash flows from operating activities		2,272	2,874
Investing activities			
Proceeds from sale of property, plant and equipment		48,000	11,877
Purchase of property, plant and equipment		(8,953)	(4,637)
Net cash flows from investing activities		39,047	7,240
Financing activities			
Net repayment of borrowings		(44,118)	(8,878)
Distributions paid to non-controlling interest		-	(1,261)
Net cash flows used in financing activities		(44,118)	(10,139)
Net decrease in cash and cash equivalents		(2,799)	(25)
Cash and cash equivalents at 1 November		7,790	7,815
Cash and cash equivalents at 31 October	7	4,991	7,790

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 2013 CONTINUED

1. Corporate Information

The financial report of Penrith Rugby League Club Limited (the "Group") for the year ended 31 October 2013 was authorised for issue in accordance with a resolution of the directors on 7 February 2014.

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

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

2. Summary of Significant Accounting Policies

a). Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards – Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis, except for available-for-sale investments, which have been measured at fair value.

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

b). Statement of Compliance

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

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

c). Going concern

At 31 October 2013, Penrith Rugby League Club (PRLC) had a net current asset deficit of \$18,481,000 (2012: \$58,435,000) and an overall net assets of \$153,436,000 (2012: \$141,310,000).

Penrith Rugby League Club will meet its current operating and financing obligations through cash generated from its continued operations. Of the \$18.5m net deficit, \$2.2m relates to deferred income and approximately \$8.5m of liabilities are not expected to represent cash out flows for the group within the next 12 months. Penrith Rugby League Club will fund investing activities with support from its main financier. If required, 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.

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 2013 (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.

34 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2013 CONTINUED

2. Summary of Significant Accounting Policies (cont.)

d). Principles of consolidation (cont)

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 statement of financial position, separately from parent shareholders' equity.

e). Cash and cash equivalents

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

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.

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.

h). Derivative financial instruments

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

Certain other derivative instruments which are also held for trading for the purpose of making short-term gains. These derivatives do not qualify for hedge accounting and changes in fair value are recognised immediately in profit or loss in income or expenses.

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

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

35 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2013 CONTINUED

2. Summary of Significant Accounting Policies (cont.)

i). Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

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

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

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.

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 consolidated 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 was deregistered on 13 December 2013. 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:

36 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2013 CONTINUED

2. Summary of Significant Accounting Policies (cont.)

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

	2013	2012
Land	Not depreciated	Not depreciated
Freehold Buildings	40 years	40 years
Plant & Equipment	2-15 years	2-15 years
Leasehold Improvement	Expected lease term	Expected lease term
Plant & Equipment Under Lease	lease term	lease term

(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.

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 consolidated statement of comprehensive income.

(ii) Derecognition

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

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

37 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2013 CONTINUED

2. Summary of Significant Accounting Policies (cont.)

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.

(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.

38 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2013 CONTINUED

2. Summary of Significant Accounting Policies (cont.)

(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 consolidated statement of comprehensive income 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).

(r) Provisions

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

(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 respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised 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:

39 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2013 CONTINUED

2. Summary of Significant Accounting Policies (cont.)

(s) Revenue recognition (cont.)

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2013 CONTINUED

2. Summary of Significant Accounting Policies (cont.)

(u) Taxes (cont.)

(i) Income tax (cont.)

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.

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 consolidated statement of financial position.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2013 CONTINUED

3. Significant Accounting Judgements, Estimates and Assuptions

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

Judgements

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

Operating lease commitments – Group as lessor

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

Poker Machine Licences

The Group holds poker 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.

42 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2013 CONTINUED

4. Income and Expenses

	2013	2012
	\$'000	\$'000
Revenue/Income from Continuing Operations		
a) Revenues from Operating Activities		
Revenue from gaming	65,720	64,445
Revenue from catering and beverages	26,254	27,180
Revenue from raffles/bingo	1,292	1,324
Revenue from gate receipts	1,644	1,695
Revenue from functions and banquets	6,489	5,863
Revenue from merchandise sales	670	1,169
Revenue from show tickets	327	1,346
Rental income	1,963	1,959
NRL Grant	6,810	4,350
Sponsorship revenue	5,428	5,214
Subscriptions	631	403
Other	4,729	3,656
Total revenues from operating activities income	121,957	118,604
Other Income		
Net gain on disposal of property, plant and equipment	22,346	-
NSW State Government grant	-	82
Interest received - other	191	245
Bad debt recovery	9	-
Total other income	22,546	327
Total revenue/income from continuing operations	144,503	118,931

43 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2013 CONTINUED

4. Income and Expenses (cont.)

	2013	2012
	\$'000	\$'000
Expenses from continuing operations		
b) Other expenses from operating activities		
Annual report	119	108
Audit and accounting	670	578
Bank charges	594	756
Cleaning expenses	1,263	1,289
Commission	-	7
Consultancy	905	703
Courtesy Bus	166	250
Equipment hire	361	266
Gaming, monitoring and other cost	995	1,130
General expenses	729	620
Ground expenses	134	270
Legal fees	883	1,698
Licences and Subscriptions	784	756
Mini asset register	52	88
Money security	319	400
Motor vehicle expenses	83	100
Net Loss on Disposal of Property, Plant and Equipment	-	338
Other expenses	2,286	1,507
Pest control	57	63
Plants	47	60
Postage	58	244
Printing and stationery	819	670
Purchases Raffle and Bingos	1,558	1,675
Security	390	452
Staff amenities	127	233
Telephone	577	677
Travel and accommodation	282	503
Training	1,860	1,706
Waste expenses	429	261
Total expenses from continuing operation	16,547	17,408

44 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2013 CONTINUED

4. Income and Expenses (cont.)

	2013	2012
	\$'000	\$'000
Expenses from continuing operations (continued)		
(c) Finance costs expense		
Borrowings other persons/corporations	4,709	6,886
Finance charges - lease liability	300	436
Total finance costs	5,009	7,322

(d) Employee benefits expense

Wages and salaries	39,473	39,418
Workers' compensation costs	1,576	1,533
Defined contribution plan expense	2,727	2,796
Long service leave provision	403	206
Employee benefits	257	456
Termination benefits	269	834
Other	141	168
Total employee benefits expense	44,846	45,411

45 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2013 CONTINUED

5. Income Tax

	2013	2012
	\$'000	\$'000
(a) Income tax expense/benefit		
<i>Deferred income tax benefit</i>		
Relating to origination and reversal of temporary differences	(741)	(8,638)
Income tax benefit reported in the statement of comprehensive income	(741)	(8,638)

(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:

	2013	2012
	\$'000	\$'000
Accounting profit/(loss) before tax from continuing operations	9,271	(17,210)
Profit/(loss) before tax from a discontinued operation	2,114	7,009
Accounting profit/(loss) before income tax	11,385	(10,201)
At Group's statutory income tax rate of 30% (2012: 30%)	3,416	(3,060)
Non-temporary differences	(11,336)	287
Members only income	(1,036)	(295)
Members only expenses	2,133	2,065
Effect of mutuality	(3,395)	(3,182)
Non-taxable profit for tax exempt entities	8,563	(2,461)
Current year tax losses not recognised	2,847	27
Other items (net)	(1,933)	(2,019)
Aggregate income tax benefit	(741)	(8,638)

46 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2013 CONTINUED

5. Income Tax (cont.)

(c) Recognised deferred tax assets and liabilities

Deferred income tax at 31 October relates to the following:

	2013 \$'000	2012 \$'000
Consolidated statement of financial position		
<i>(i) Deferred tax liabilities</i>		
Property, Plant and Equipment	-	134
Employee Benefits	-	2
Prepayments	6	2
Poker Machine Licences	-	376
Gross deferred tax liabilities	6	514
<i>(ii) Deferred tax assets</i>		
Property, Plant and Equipment	243	-
Employee Benefits	507	489
Deferred Income	16	137
Provisions	152	309
Accruals	330	68
Gross deferred tax assets	1,248	1,003
Consolidated statement of comprehensive income		
<i>(i) Deferred tax liabilities</i>		
Property, Plant and Equipment	(134)	(7,715)
Employee Benefits	(2)	2
Prepayments	4	(85)
Poker Machine Licences	(376)	-
	(508)	(7,798)
<i>(ii) Deferred tax assets</i>		
Property, Plant and Equipment	(243)	(86)
Employee Benefits	(18)	(127)
Deferred Income	121	51
Provisions	157	(662)
Accruals	(250)	(14)
Doubtful debts	-	(2)
	(233)	(840)
Deferred income tax benefit	(741)	(8,638)

(d) Tax losses

The Group has deferred tax assets relating to carried forward tax losses that are not recognised on the consolidated statement of financial position of \$12,679,946 (2012: \$9,832,147). The carried forward tax losses are available indefinitely for offset against future taxable income, subject to continuing to meet relevant statutory tests.

47 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2013 CONTINUED

6. Discontinued Operations and Net Assets Held for Sale

In the 31 October 2012 Financial Report, Penrith Rugby Leagues Club publicly announced the decision to de-amalgamate Mekong Panthers, Triglav Panthers and Cardiff Panthers. During April and May 2013, these clubs were successfully de-amalgamated. The results of the clubs are presented on the Statement of Comprehensive Income under discontinued operations.

The major classes of assets and liabilities of the Wallacia Club classified as held for sale as at 31 October 2013 (2012: Mekong Panthers, Triglav Panthers, and Cardiff Panthers) are as follows:

	2013 \$'000	2012 \$'000
Assets		
Inventory	21	147
Poker machine licences	25	925
Property, plant and equipment	4,387	21,195
Assets classified as held for sale	4,433	22,267
Liabilities		
Employee entitlements	(106)	(772)
Liabilities directly associated with assets classified as held for sale	(106)	(772)
Net Assets directly associated with disposal group	4,327	21,495

7. Cash and Cash Equivalents

	2013 \$'000	2012 \$'000
Cash	4,991	7,790

8. Trade and Other Receivables (Current)

	2013 \$'000	2012 \$'000
Trade debtors	1,236	1,615
Provision for doubtful debts	(7)	(247)
	1,229	1,368
Other debtors	-	38
Carrying amount of trade and other receivables	1,229	1,406

48 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2013 CONTINUED

9. Inventories

	2013	2012
	\$'000	\$'000
Raw materials and stores at cost	1,163	1,140
Total inventory at the lower of cost and net realisable value	1,163	1,140

10. Other Assets

	2013	2012
	\$'000	\$'000
Current		
Prepayments	540	991
Sundry debtors (i)	613	626
Licence deposits (ii)	-	398
Total current assests	1,153	2,015
Non-Current		
Sundry debtors (i)	1,469	1,894
Total non-current assets	1,469	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 Licence deposits over the Fingal Bay Holidays Resort and Urunga Holiday Resort (held by the Federation of Community, Sporting and workers Clubs of New South Wales) were sold during 2012 and the group received the Licence deposits in 2013.

11. Trade and Other Receivables (Non-Current)

	2013	2012
	\$'000	\$'000
Related parties: Other related party	1,781	1,603
Provision for doubtful debts: Other related parties	(1,724)	(1,545)
	57	58

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).

49 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2013 CONTINUED

12. Investments**(a) Investments in associates**

	2013	2012
	\$'000	\$'000
At cost less cumulative impairment: Pan Pen Pty Ltd	230	230
Total investments in associates	230	230

(b) Details of associate

Name	Country of Incorporation	Equity Interest Held By Controlling Entity		Balance Date
		2013	2012	
		%	%	
Pan Pen Pty Ltd (i)	Australia	50	50	31 October
Cable Water Skiing (Australia) Limited (ii)	Australia	52	52	30 June

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

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

(c) 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 2013 CONTINUED

13. Property, Plant and Equipment

	2013 \$'000	2012 \$'000
Land		
At cost	87,708	93,878
Net carrying amount	87,708	93,878
Buildings		
At cost	124,634	127,441
Accumulated depreciation	(64,371)	(58,295)
Net carrying amount	60,263	69,146
Plant and Equipment		
At cost	41,015	38,889
Accumulated depreciation	(33,627)	(32,556)
Net carrying amount	7,388	6,333
Leasehold Improvement		
At cost	49,538	48,873
Accumulated depreciation	(10,514)	(8,536)
Net carrying amount	39,024	40,337
Capital Works in Progress		
At cost	3,185	3,283
Accumulated depreciation	-	-
Net carrying amount	3,185	3,283
Plant and Equipment Under Lease		
At cost	82,351	78,059
Accumulated depreciation	(68,455)	(64,624)
Net carrying amount	13,896	13,435
Total Property, Plant and Equipment		
At cost	388,431	390,423
Accumulated Depreciation and Amortisation	(176,967)	(164,011)
Net Carrying Amount	211,464	226,412

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2013 CONTINUED

13. Property, Plant and Equipment (cont.)

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

	2013 \$'000	2012 \$'000
Land		
Carrying amount at the beginning of the year	93,878	112,037
Disposals	-	(9,889)
Impairment	(3,010)	-
Classification to assets held for sale	(3,160)	(8,270)
Balance at the end of the year - Net carrying amount	87,708	93,878
Buildings		
Carrying amount at the beginning of the year	69,146	92,882
Additions	-	1,726
Disposals	(40)	(7,005)
Impairment	(2,546)	-
Classification to assets held for sale	-	(9,655)
Depreciation charge for the year	(6,297)	(8,802)
Balance at the end of the year - Net carrying amount	60,263	69,146
Plant and Equipment		
Carrying amount at the beginning of the year	6,333	7,940
Additions	2,878	981
Disposals	(9)	(711)
Classification to assets held for sale	(130)	(319)
Depreciation charge for the year	(1,684)	(1,558)
Balance at the end of the year - Net carrying amount	7,388	6,333
Leasehold Improvement		
Carrying amount at the beginning of the year	40,337	43,961
Additions	1,665	-
Disposals	-	(95)
Classification to assets held for sale	(1,097)	(1,601)
Depreciation charge for the year	(1,881)	(1,928)
Balance at the end of the year - Net carrying amount	39,024	40,337
Capital Works in Progress		
Carrying amount at the beginning of the year	3,283	1,353
Additions/(Disposals)	(98)	1,930
Balance at the end of the year - Net carrying amount	3,185	3,283

52 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2013 CONTINUED

	2013	2012
	\$'000	\$'000
13. Property, Plant and Equipment (cont.)		
Reconciliation of carrying amounts at the beginning and end of the year (cont)		
Plant and Equipment Under Leases		
Carrying amount at the beginning of the year	13,435	12,411
Additions	4,518	5,727
Disposals	(17)	(241)
Classification to assets held for sale	-	(1,351)
Depreciation charge for the year	(4,040)	(3,111)
Balance at the end of the year - Net carrying amount	13,896	13,435
Total Property, Plant and Equipment		
Carring amount and the beginning of the year	226,412	270,584
Additions	8,963	8,434
Disposals	(66)	(16,011)
Impairment	(5,556)	-
Classification to assets held for sale	(4,387)	(21,196)
Depreciation charge for the year	(13,902)	(15,399)
Balance at the end of the year - Net carrying amount	211,464	226,412

14. Intangible Assets

	2013	2012
	\$'000	\$'000
<i>Poker machine licences</i>		
Balance at beginning of year	329	1,254
Classification to assets held for sale (Note 6)	(25)	(925)
Balance at end of year	304	329

15. Trade and Other Payables (Current)

	2013	2012
	\$'000	\$'000
Trade creditors	3,676	5,847

53 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2013 CONTINUED

16. Provisions (Current)

	2013	2012
	\$'000	\$'000
Employee entitlements	2,011	1,930
Permanent members (i)	2,241	2,254
Total Provisions (current)	4,252	4,184

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

17. Interest Bearing Liabilities (Current)

	2013	2012
	\$'000	\$'000
Secured liabilities		
Other Loan (i)	1,003	58,585
Lease liability (ii)	5,824	5,168
Total Secured liabilities (current)	6,827	63,753

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

- Cash Advance Facility (1) of \$3.7m due for repayment on 9th July 2015 (disclosed as non-current);
- Cash Advance Facility (3) of \$35.0m due for repayment on 29th January 2016 (disclosed as non-current); and
- Cash Advance Facility (4) of \$1.0m due for repayment within the next 12 months (disclosed as current) and an additional \$0.5m due for repayment on the 24th April, 2015.

The loan is secured by a fixed and floating on all assets. Interest rate for 2013 as at balance sheet date is 5.73% (2012: 9.854%)

(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 4.36% (2012: 5.09%). 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)

	2013	2012
	\$'000	\$'000
Deferred Income	1,400	2,411
Gaming machine tax	5,442	5,610
Accrued wages/salaries	1,113	454
Accruals for annual leave	2,596	2,961
Other creditors and accruals	5,276	6,675
Subscriptions received in advance	726	247
GST Payable	36	139
Total Other liabilities (current)	16,589	18,497

54 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2013 CONTINUED

19. Interest Bearing Liabilities (Non-Current)

	2013	2012
	\$'000	\$'000
Secured		-
Borrowings (Note 17 (i))	39,202	24,000
Lease liability (Note 17(iii))	2,473	4,867
Total Interest bearing liabilities (non-current)	41,675	28,867

20. Provisions (Non-Current)

	2013	2012
	\$'000	\$'000
Employee entitlements	479	227

21. Other Liabilities (Non-Current)

	2013	2012
	\$'000	\$'000
Interest rate swaps	154	-
Rent received in advance	541	573
Total Other liabilities (Non-current)	695	573

22. Total Minimum Lease Payments Under Hire Purchase

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

	2013	2012
	\$'000	\$'000
Within one year	5,999	5,310
After one year but not more than five years	2,548	5,490
Total minimum lease payments	8,547	10,800
Future finance charges	(250)	(765)
Lease liability	8,297	10,035
Current liability (Note 17)	5,824	5,168
Non-current liability (Note 19)	2,473	4,867
Total Minimum lease payments under hire purchase	8,297	10,035

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

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

(iii) Interest rate is disclosed at Note 17.

55 NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2013 CONTINUED

23. Operating Lease Commitments Payable

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

	2013	2012
	\$'000	\$'000
Within one year	75	75
After one year but not more than five years	300	300
After more than five years	763	838
Total minimum lease payments	1,138	1,213

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 non-cancellable lease has a remaining term of 15 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:

	2013	2012
	\$'000	\$'000
Within one year	680	342
After one year but not more than five years	2,181	608
After more than five years	973	1,025
Total minimum lease payments	3,834	1,975

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

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

25. Superannuation Commitments

All employees are entitled to varying levels of benefits on retirement, disability or death. The superannuation plans provide accumulated benefits. Employees contribute to the plans at various percentages of their wages and salaries. The Group also contributes to the plans, generally at the rate of twice the employees' contributions. Contributions by the Group of up to 9.25% of employees' wages and salaries are legally enforceable. PRLC contributions for the year ended 31 October 2013 amounted to \$2,727,000 (2012: \$2,796,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2013 CONTINUED

26. Contingencies

(a) Full members of the chief entity with continuous membership since 1 April 1975 are entitled to a mortality benefit of \$200. At 31 October 2013 the maximum contingent liability was \$427,600 (2012: \$437,400).

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

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

27. Related Party Disclosures

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

D Feltis JP - Chairman

T Heitmann - Senior Deputy Chairman (Deceased 13.08.13)

J Hiatt OAM - Deputy Chairman

G Alexander

R Anderson (Deceased 24.10.13)

B Ferguson

B Fletcher

J Geyer

G Kennedy

K Lowe (Resigned 30.01.13)

D Merrick FCPA | JP

D O'Neill (Appointed 30.01.13)

K Rhind OAM

S Robinson

W Wheeler

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

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

	2013 \$'000	2012 \$'000
Purchase of Goods and Services - Pan Pen Pty Limited	2	3
Sales of Goods and Services - Pan Pen Pty Limited	32	34
Interest Income/(Expenses) on Loans - Penrith District Rugby League Football Club Players Superannuation Fund (ii)	162	145
Rental income received by PRLC Pan Pen Pty Limited	248	243

(i) Mulgoa Road (No 1) Pty Limited charged interest on loans receivable from group companies at a rate of 6.4% p.a. (2012: 7.05%).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2013 CONTINUED

27. Related Party Disclosures (cont.)

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

The Group charged other group companies interest at a rate of 6.4% p.a. (2012: 9.72%).

Interest-free loans were advanced to controlled entities during the year by Penrith Rugby League Club Limited. The balance at year end is \$42,593,060 (2012: \$107,767,268).

The entities were:

Rylebrook Pty Limited (deregistered 23 January 2013)

143 William St Pty Limited (deregistered 11 February 2013)

Settlement Shores Entertainment Centre Pty Limited (deregistered 23 January 2013)

Panthers Property Development Unit Trust

Panthers Property Development No 2 Discretionary Trust

Mulgoa Land Trust

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 \$566,119 (2012: \$39,191,670).

(c) Transactions with related parties

During October 2013, Panthers conducted an internal debt restructure with ANZ Limited to enable the next stage of the group simplification project. One of the steps involved amounts payable by Panthers Property Development Unit Trust and Mulgoa Land Trust to Panther Property Unit trust were settled at year end by way of a return of capital units, with a value of \$14m.

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 \$1,781,000 (2012: \$1,603,000). The loan attracts interest at a fixed rate of 9.72% (2012: 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 \$830 (2012: \$nil) for services provided during the year.

The consolidated entity paid \$60,000 (2012: \$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 prior year, the total cost is \$0 (2012: \$34,508).

The consolidated entity paid \$88,839 (2012: \$132,123) to the Newcastle Trades Hall council. William Ferguson and Gary Kennedy are regarded as having an interest. The purchase price of the property was \$1,650,000 and represented an arm's length transaction.

In June 2013 Panthers transferred ownership of the Devonshire House property and paid \$2.7m cash to the Trades Hall Council and as a result exited an MOU agreement for an annual fee that had 87 years remaining.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2013 CONTINUED

28. Key Management Personnel

	2013	2012
	\$'000	\$'000
Total key management personnel compensation	2,678	1,735

29. Events After Balance Date

On 24th December 2013, Penrith Rugby League Club entered into a short term option on the sale of 2,500 sqm of land at the Newcastle Panthers property.

There have been no other significant events occurring after the balance date which may affect either the Company's operations or results of those operations or the Company's state of affairs.

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 (2012: \$4). At 31 October 2013, such guarantees totalled \$539,900 (2012: \$576,236).

31. Parent Entity Information

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

	2013	2012
	\$'000	\$'000
Current assets	6,507	12,648
Non-current assets	180,576	180,870
Total assets	187,083	193,518
Current liabilities	107,538	193,219
Non-current liabilities	53,930	2,256
Total liabilities	161,468	195,475
Net Assets/Liabilities	25,615	(1,957)
Retained surplus/(Accumulated deficit)	25,615	(1,957)
Total equity	25,615	(1,957)
Net profit/(loss)	(27,572)	6,043
Other comprehensive income	-	-
Total Comprehensive income/(loss)	(27,572)	6,043

The parent entity has the following contractual obligations as at 31 October 2013:

The Operating lease commitments payable

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

The leases were terminated when the assets from PPUT and PIC were transferred to PRLC effective 31 August 2013.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2013 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 Lavington	27/1014850
5 Bathurst RLC	1/881588
6 Wallacia	512/1079728 2/1108408 AC5645-56 (3/18701 and 4/18701)
7 North Richmond	101/873170
8 Glenbrook	357/704602 321/751662

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 31 OCTOBER 2013 CONTINUED

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 2013 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 2013 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 JP
Chairman

Penrith

7 February 2014



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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 2013, 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.

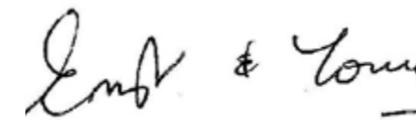
Independence

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 2013 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

7 February 2014

Your lifestyle, your club





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