

PANANIA-EAST HILLS RSL CLUB LIMITED

trading as

PANANIA DIGGERS

**CONCISE REPORT
31 DECEMBER 2021**

The financial statements and other specific disclosures have been derived from Panania-East Hills RSL Club Limited's full financial report for the financial year. Other information included in the concise financial report is consistent with the Company's full financial report.

The concise financial report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financial report.

A copy of the Company's 2021 Annual Financial Report, including the independent audit report, is available to all members and will be sent to members without charge upon request.

PANANIA-EAST HILLS RSL CLUB LIMITED
DIRECTORS' REPORT FOR YEAR ENDED 31 DECEMBER 2021

The Directors present their report together with the financial statements of Panania-East Hills RSL Club Limited, trading as Panania Diggers for the year ended 31 December 2021 and the auditor's report thereon.

INFORMATION ON DIRECTORS:

The names and qualifications of Directors at any time during or since the end of the financial year are:-

Colin Wallace President Age: 65	Elected to the Board in 2014. Appointed President 2020, previously Junior Vice President September 2017. Member of Panania East Hills RSL Club since 1977. Former Senior Auditor with Australian Taxation Office. Delegate to Western Metropolitan Region of Clubs NSW. Accountant - Commerce Certificate (Accounting Procedures). Delegate to Canterbury-Bankstown LGA Licensing Accord. Delegate to Canterbury-Bankstown LGA Club Grants Committee. Former player, coach and treasurer of Panania East Hills RSL Cricket Club. Former Coach, Manager and President of St Christopher's Cricket Club. Former Manager St Christopher's Rugby League Club. Former Representative Coach of BDCA. Member of Club Directors Institute. Board Representative to Bankstown City Aged Care Trust. Sporting Liaison Director for St Christopher's Rugby League Club, St Christopher's Junior Rugby League Club and St Christopher's Cricket Club.
Samantha Williams Senior Vice President Age: 52	Elected to the Board in 2012. Senior Vice President of Panania East Hills RSL Club (2017). Member of Panania East Hills RSL Club since 2002. Flight Crew Analyst, Workforce Planning-QANTAS Airways Ltd. Secretary of Panania RSL Youth Club. Delegate to Western Metropolitan Region of Clubs NSW. Member of Club Directors Institute. Sporting Liaison Director for St Christopher's Netball Club. Board Representative to Bankstown City Aged Care Trust. Justice of the Peace.
Michael Beckers Junior Vice President Age: 58	Appointed to the Board in 2014. Appointed Junior Vice President 2020. Member of Panania East Hills RSL Club since 1982. Delegate to Western Metropolitan Region of Clubs NSW. Marketing Certificate attained in 1986. General Manager Steel Industry since 1997. General Manager Construction Industry since 2000. Player Panania RSL Soccer Club from 1980-2001. Player Panania RSL Cricket Club 2010. Manager Panania RSL Soccer Club 2003-2006. Member of Club Directors Institute. Sporting Liaison Director for Panania RSL Soccer Club.

Robert McAndrew Director Age: 75	Appointed to the Board in October 2017. Member of Panania East Hills RSL Club since 1969. Delegate to Western Metropolitan Region of Clubs NSW. Former Engineering Office with Pacific Power. Electrical Trades Certificate. Electrical Engineering Certificate. Original Player-Panania East Hills RSL Cricket Club. Life Member Panania East Hills RSL Cricket Club. Life Member East Hills Rugby League Football Club. Former Secretary East Hills Rugby League Football Club. Sporting Liaison Director for Panania RSL Cricket Club. Member of Club Directors Institute. Delegate to Canterbury-Bankstown LGA Licensing Accord. Delegate to Canterbury-Bankstown LGA Club Grants Committee.
Leo Weston Director Age: 57	Appointed to the Board in April 2019. Member of Panania East Hills RSL Club since 1997. Member of Panania RSL Sub Branch since 1997. President Panania RSL Sub Branch since 2017. Served in the Royal Australian Navy. Electrical Trades Certificate. Associate Diploma in Electrical Maintenance. Sporting Liaison Director for the Tennis Association. Member of Club Directors Institute. Currently working as an IT Manager in Federal Government.
Robert Bell Director Age: 61	Elected to the Board 2020. Director, PKF Chartered Accountants. Bachelor of Business (with credit)- UTS. Fellow of Chartered Accountants Australia and New Zealand (CAANZ). Registered Tax Agent. Registered Auditor. President, Panania RSL Youth Soccer Club- 2009 to present. Auditor, Kokoda Track Memorial Walkway.
Helen Finn Age: 66 (Appointed: 2021)	Appointed to the Board November 2021. Member of Panania East Hills RSL Club since 1973. Retired BSc (Microbiology and Genetics majors) 1977 Occupational Hygienist, WorkCover 1979-2014
Anthony van der Kley Age: 63 (Retired 2021)	Elected to the Board in 2010. Elected President 2016 (Stood down as President 2020- continued as Director to 2021) Member of Panania East Hills RSL Club since 1985. High School Teacher. Holds a Bachelor of Education Degree. Delegate to Western Metropolitan Region of Clubs NSW. Member of Club Directors Institute. Sporting Liaison Director for St Christopher's Football Club.

ATTENDANCE AT CLUB BOARD MEETINGS

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

Number of meetings held: 14	Number Attended	Number Held*
A. van der Kley	5	5
S. Williams	13	14
C. Wallace	14	14
M. Beckers	14	14
R. McAndrew	13	14
L. Weston	14	14
R. Bell	13	14
H. Finn	2	2

* *Number of meetings held during the time the Director held office during the year.*

Leave of Absence granted to the following Directors:

Robert Bell: January 2021
Robert McAndrew: February Special Meeting
Samantha Williams: April Special meeting

CLUB SECRETARY

The following person held the position of Club Secretary at the end of the Financial Year.

Ian Lowndes has been employed with Panania East Hills RSL Club (Panania Diggers) for the past 28 years formerly holding the position of Operations Manager.

Ian was appointed in the capacity as Club Secretary and Chief Executive Officer in 2019.

Ian is a member of the CDI (Club Directors Institute)

PRINCIPAL ACTIVITIES

The principal activities of the Company during the course of the Financial Year consisted of the conduct and promotion of a licensed social club for members of the Company.

MEMBERSHIP

The Club is a company limited by guarantee and without a share capital. The number of members at 31 December 2021 and a comparison with last year is as follows:

	<u>2021</u>	<u>2020</u>
Life Members	6	6
Returned Service League Members	73	118
Associate Members	8,171	8,886
Womens Auxiliary	1	1
TOTALS	<u>8,251</u>	<u>9,011</u>

REVIEW AND RESULTS OF OPERATIONS

The net profit for the year amounted to \$7,876 compared with a profit of \$727,035 for the prior year. This resulted after charging \$591,290 (2020 \$609,463) for depreciation and amortisation and after charging \$nil (2020 \$14,500) for income tax.

DIVIDENDS

The company is a non profit organisation and is prevented by its constitution from paying dividends.

STATE OF AFFAIRS

During the year trading was severely impacted by trading restrictions due to Covid-19. The impact of this was partially alleviated by Government assistance measures. Apart from this, in the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the financial year under review.

ENVIRONMENTAL REGULATION

The Company's operations are subject to various environmental regulations under either Commonwealth or State legislation.

The Board believes that the Company 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 Company.

EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the directors of the Club to affect significantly the operation of the Club, the results of those operations, or the state of affairs of the Club, in future financial years.

LIKELY DEVELOPMENTS

The Licensed Club Industry continues to be affected by ongoing political debate over significant amendments to its core areas of income, gaming and liquor.

The Board of Management will continue to monitor all areas of Club operation, investigate new revenue streams and maintain strong control over costs.

INDEMNIFICATION & INSURANCE OF OFFICERS

The Company has provided for and paid premiums during the year for current Management Liability Insurance. The insurance is in respect of legal liability for damages and legal costs to a maximum of \$5,000,000 arising from claims made by reason of any omissions or acts (other than dishonesty) by them, whilst acting in their individual or collective capacity as Directors or Officers of the Company.

Signed in accordance with a resolution of the Directors

Dated at Panania this 7th day of February 2021.


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COLIN WALLACE, President

Panania-East Hills R.S.L. Club Limited
Statement of Profit or Loss and Other Comprehensive Income
For the Financial Year Ended 31 December 2021

	Notes	2021 \$	2020 \$
Revenue			
Revenue		5,683,004	6,154,820
Other income		317,572	727,247
Total revenue		6,000,576	6,882,067
Expenses			
Cost of goods sold		(635,222)	(626,631)
Depreciation and amortisation		(591,290)	(609,463)
Employee benefits		(1,937,275)	(2,027,646)
Entertainment, marketing and promotion		(524,272)	(626,683)
Finance costs		(65,088)	(81,392)
Grants paid		(25,927)	(21,904)
Lease payments for short-term/low-value leases		(52,935)	(55,304)
Net loss on sale of property, plant and equipment		(135,968)	(1,426)
Poker machine licences and taxes		(673,243)	(799,178)
Property expenses		(780,110)	(706,137)
Other expenses		(571,370)	(584,768)
Total expenses		(5,992,700)	(6,140,532)
Net profit before income tax		7,876	741,535
Income tax expense		-	(14,500)
Net profit for the year		7,876	727,035
Other comprehensive income		-	-
Total comprehensive income		7,876	727,035

The accompanying notes form part of these financial statements.

Panania-East Hills R.S.L. Club Limited
Statement of Financial Position
As at 31 December 2021

	Notes	2021 \$	2020 \$
Assets			
Current			
Cash and cash equivalents		883,784	960,328
Trade and other receivables		166,567	169,364
Inventories		54,308	66,951
Other current assets		37,090	25,728
Current assets		1,141,749	1,222,371
Non-current			
Property, plant and equipment		7,530,952	7,719,459
Non-current assets		7,530,952	7,719,459
Total assets		8,672,701	8,941,830
Liabilities			
Current			
Trade and other payables		469,761	489,074
Provisions		445,005	384,938
Borrowings		1,548,920	1,908,923
Other liabilities		66,433	36,670
Current liabilities		2,530,119	2,819,605
Non-current			
Provisions		15,680	12,719
Borrowings		220,869	178,207
Other liabilities		-	33,142
Non-current liabilities		236,549	224,068
Total liabilities		2,766,668	3,043,673
Net assets		5,906,033	5,898,157
Equity			
Retained earnings		5,906,033	5,898,157
Total equity		5,906,033	5,898,157

The accompanying notes form part of these financial statements.

Panania-East Hills R.S.L. Club Limited
Statement of Changes in Equity
For the Financial Year Ended 31 December 2021

	Notes	Retained Earnings	Total Equity
		\$	\$
Balance at 1 January 2020		5,171,122	5,171,122
Profit for the year		727,035	727,035
Other comprehensive income		-	-
Total comprehensive income		<u>727,035</u>	<u>727,035</u>
Balance at 31 December 2020		<u>5,898,157</u>	<u>5,898,157</u>
Balance at 1 January 2021		5,898,157	5,898,157
Profit for the year		7,876	7,876
Other comprehensive income		-	-
Total comprehensive income		<u>7,876</u>	<u>7,876</u>
Balance at 31 December 2021		<u>5,906,033</u>	<u>5,906,033</u>

The accompanying notes form part of these financial statements.

Panania-East Hills R.S.L. Club Limited
Statement of Cash Flows
For the Financial Year Ended 31 December 2021

	Notes	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from customers		6,384,895	6,231,280
Receipts from government stimulus		192,372	607,000
Payments to suppliers and employees		(5,748,890)	(5,465,013)
Interest received		682	2,163
Income tax paid		(13,709)	-
Net provided by in operating activities		815,350	1,375,430
Cash flows from investing activities			
Payments for property, plant and equipment		(353,804)	(52,405)
Proceeds from disposal of property, plant and equipment		64,909	18,181
Net cash used in investing activities		(288,895)	(34,224)
Cash flows from financing activities			
Net repayments on borrowings		(537,911)	(327,590)
Interest paid		(65,088)	(81,392)
Net cash used in financing activities		(602,999)	(408,982)
Net change in cash and cash equivalents		(76,544)	932,224
Cash and cash equivalents at beginning of financial year		960,328	28,104
Cash and cash equivalents at end of financial year		883,784	960,328

The accompanying notes form part of these financial statements.

**PANANIA-EAST HILLS RSL CLUB
CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021
DISCUSSION AND ANALYSIS**

Statement of Profit or Loss and Other Comprehensive Income

Trading for the 2021 year was severely impacted by trading restrictions due to Covid-19. The impact was partially alleviated by Government assistance. Trading resulted in the Club achieving a profit of \$7,876 (2020 profit of \$727,035). This resulted after charging \$591,290 (2020 \$609,463) for depreciation and amortisation and after charging \$nil (2020 \$14,500) for tax. A more detailed analysis is shown below.

An analysis of the Club's 2021 results by department reveals the following:

- Bar Trading - profitable year with sales \$11,335 above last year with Covid-19 trading restrictions affecting both years and the gross profit margin decreasing slightly to 61% of sales. There was a significant decrease in the cost of bar labour, with no receipt of JobKeeper in 2021. These factors were the main contributors to a decrease in the Bar Trading Profit of \$104,572.
- Café Trading – a breakeven year of trading with sales decreasing by \$13,793. Wage costs were similar to last year, and there was no receipt of JobKeeper wage subsidy in 2021. The Cafe Trading Profit for the year decreased by \$38,224 to a loss of \$1,190.
- Poker Machine Trading - a year of reduced revenue with net clearances being 11% below last year due to longer Covid-19 restrictions than 2020. Direct expenses decreased by \$157,774 primarily due to decrease in depreciation and there was no receipt of JobKeeper wage subsidy in 2021. This resulted in Poker Machine Trading Profit decreasing by \$342,555 or 14%.
- Promotions Expenditure - a net decrease of \$50,701 to \$73,644 compared to last year's result due to Covid-19 trading restrictions.
- Functions - Income achieved for the year decreased by \$21,011 with the loss after direct expenses being \$39,392. This was entirely due to Covid-19 trading restrictions.
- Other Income - increased by \$82,365 to \$469,141. Decrease in most income categories were more than offset by the receipt of \$192,372 of Covid Assistance/Grants in 2021 compared to the receipt of \$100,000 ATO Cash Flow Boost in 2020.
- Other Expenses - expenditure increased by \$362,342 on the 2020 year mainly due to loss on disposal of assets of \$196,468 and no receipt of JobKeeper wage subsidy in 2021.

**PANANIA-EAST HILLS RSL CLUB
CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021
DISCUSSION AND ANALYSIS (continued)**

Statement of Financial Position

The Company's net assets increased by \$7,876 commensurate with the 2021 profit after income tax.

Significant movements during the year include the decrease in borrowings of \$317,341. Plant and equipment decreased by \$188,507 due to loss on disposal of assets of \$196,468.

Statement of Cash Flows

Operating activities provided net cash of \$815,350, a decrease of \$558,431 on the 2020 year.

The end result of the year's activities was a net positive cash position of \$883,784, a decrease of \$76,544 on last year's positive cash position of \$960,328.

PANANIA-EAST HILLS RSL CLUB LIMITED

**Notes to the Financial Statements
Concise Financial Report
For the Year Ended 31 December 2021**

1. Basis of preparation

The concise financial report has been prepared in accordance with the *Corporations Act 2001* and Accounting Standard AASB 1039 Concise Financial Reports. The financial statements and specific disclosures required by AASB 1039 have been derived from the Company's full financial report. Other information included in the concise financial report is consistent with the Company's full financial report. The concise financial report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

It has been prepared on an accruals basis and is based on historical costs and except where stated, does not take into account changing money values or fair values of assets.

2. Retained profits

	2021	2020
	\$	\$
Retained profits at beginning of year	5,898,157	5,171,122
Net profit/(loss)	7,876	727,035
	<hr/>	<hr/>
Retained profits at the end of the year	<u>5,906,033</u>	<u>5,898,157</u>

3. Going concern

As at 31 December 2021, the entity had a net current asset deficiency position of \$1,388,370. This is largely driven by the required current liability classification of the at call commercial bill. Based on expected future cash flows and available financing options, the directors are of the view that the entity will be able to satisfy its liabilities as and when they fall due and will continue as a going concern.

4. Events subsequent to balance date

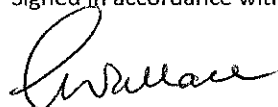
There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in further financial years.

Panania-East Hills R.S.L. Club Limited
Directors' Declaration
For the Financial Year Ended 31 December 2021

The directors of the company declare that in the directors' opinion, the accompanying concise financial report for the year ended 31 December 2021:

- a) has been derived from or is consistent with the full financial report for the year then ended;
and
- b) complies with AASB 1039 Concise Financial Reports

Signed in accordance with a resolution of the directors:



Colin Wallace
President
7 February 2022
Panania, NSW

Panania-East Hills R.S.L. Club Limited
Report of the Independent Auditor on the Concise Financial Report
For the Financial Year Ended 31 December 2021

Opinion

The concise financial report comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and related notes derived from the audited financial report of Panania-East Hills R.S.L. Club Limited for the year ended 31 December 2021, the discussion and analysis, and the directors' declaration.

In our opinion, the accompanying concise financial report, including the discussion and analysis of Panania-East Hills R.S.L. Club Limited, are consistent, in all material respects, with (or a fair summary of) the audited financial report, in accordance with AASB 1039 Concise Financial Reports.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities section of our report. We are independent of the entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the concise financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Concise Financial Report

The concise financial report does not contain all the disclosures required by the *Corporations Act 2001* and the Australian Accounting Standards – Reduced Disclosure Requirements. Reading the concise financial report and the auditor's report thereon, therefore, is not a substitute for reading the audited financial report and the auditor's report thereon. The concise financial report and the audited financial report do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial report.

The Audited Financial Report and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial report in our report dated 7 February 2022. That report also includes a Material Uncertainty Related to Going Concern section that draws attention to Note 3 in the audited financial report. Note 3 of the audited financial report indicates that as of 31 December 2021, Panania-East Hills R.S.L. Club Limited's current liabilities exceeded its current assets by \$1,388,370. These events or conditions, along with other matters as set forth in Note 3 of the audited financial report, indicate that a material uncertainty exists that may cast significant doubt on Panania-East Hills R.S.L. Club Limited's ability to continue as a going concern. These matters are addressed in Note 3 of the concise financial report.

Information Other than the Concise Financial Report and Auditor's Report Thereon

The directors of the company are responsible for the other information. The other information is the directors' report accompanying the concise financial report.

Panania-East Hills R.S.L. Club Limited
Report of the Independent Auditor on the Concise Financial Report
For the Financial Year Ended 31 December 2021

Our opinion on the concise financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the concise financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the concise financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Concise Financial Report

The directors are responsible for the preparation of the concise financial report in accordance with AASB 1039 Concise Financial Reports, and for such internal control as the directors determine is necessary to enable the preparation of the concise financial report.

Auditor's Responsibilities for the Audit of the Concise Financial Report

Our responsibility is to express an opinion on whether the concise financial report is consistent, in all material respects, with (or are a fair summary of) the audited financial report based on our procedures, which were conducted in accordance with Auditing Standard ASA 810 Engagements to Report on Summary Financial Statements.

Yours faithfully,



SDJA



Simon Joyce

Director

7 February 2022

Sydney, New South Wales