

THE GALLIPOLI LEGION CLUB NEWCASTLE LIMITED

ACN 000 889 136

YEAR ENDED 30 JUNE 2019

REPORT AND FINANCIAL STATEMENTS

BOARD OF DIRECTORS

Peter Coates
Sharon Ellis
Melissa Bone
Jeremy Crawford
Debra Forbes
Glenn Power

President
Vice President

SECRETARY/MANAGER

Michael Cleary

PATRONS

Trish Punshon
Robert Hicks OAM

BANKERS

Commonwealth Trading Bank, Hamilton
National Australia Bank, Hamilton

AUDITORS

Lindbeck Partners
15 Kelton Street, Cardiff

HONORARY SOLICITOR

Bale Boshev Lawyers
60-62 Beaumont Street, Hamilton

REGISTERED OFFICE

3-5 Beaumont Street, Hamilton

PRESIDENT'S REPORT FOR THE YEAR ENDED 30 JUNE 2019

Ladies and Gentlemen,

On behalf of The Board of directors, I present to you the 64th Annual report for the year ended 30 June 2019 of the Gallipoli Legion Club Newcastle Ltd.

The recent upgrades and improvements to amenities and the addition of a wonderful new TAB area, we trust members and visitors alike will enjoy the new surrounds and continue to support the club moving forward.

With ongoing rises in the costs of running a business, and in our case the extremely competitive hospitality industry. The tough market of vying for customer recreational spend is becoming increasingly difficult with so much variety to choose from for entertainment. I believe with the help and support of our members, together we can rise to the challenge and work in unison for a prosperous future.

I am pleased that our ongoing association and support to local community groups and charities such as Legacy, Newcastle Naval Association, Islington Public School, Vision Australia and 211 Army Cadets has continued over the previous 12 months and will carry on well into the future.

I would also like to thank my fellow Board Members, as well as our CEO and Staff for all the hard work done through the year endeavouring to ensure a healthy future for our club.

In closing I would like to send my sincere thanks to all of our members for sustained patronage throughout the year.

Our Membership as at 30 June 2019 was as follows:

Ex Service Members	57
Social members	<u>1,072</u>
TOTAL MEMBERS	<u>1,129</u>

Kind regards

Peter Coates
President

SECRETARY MANAGER'S REPORT FOR THE YEAR ENDED 30 JUNE 2019

Dear Members

I hereby present to you the annual report for the year ended 30 June 2019.

I would like to begin by extending my heartfelt thanks to Directors, Staff, Members and Volunteers who continue giving their heart and soul to improve and sustain the comradeship qualities that are The Gallipoli Legion Club Newcastle.

At the time of writing this report, work is well & truly underway with the installation of a TAB area along with refurbished upgrade to restrooms plus the addition of new disabled restroom facilities installed on the ground floor. Focus on improving venue facilities and rewarding member visitation is, and always will be at the forefront of planning for the future.

It was great to maintain our association with 211 Army Cadets joining our ANZAC Day Commemorations ensuring the spirit of ANZAC and continuing our very important role of never forgetting the sacrifice of many and the reason the Gallipoli Legion Club exists.

It would be remiss of me not to mention WWII veteran, Alf Carpenter. It is with great pride Alf attends our Annual ANZAC Luncheon with a smile and a forever upbeat manner. The reception Alf receives from members & guests when entering the luncheon, is a moment of great respect and admiration for a truly remarkable individual. Thank you, Alf for all your support and encouragement.

As the years seem to fly by at a rapid rate, we will strive to carry on delivering a great entertainment venue with live music, karaoke, Members rewards, badge draws, Members Christmas parties, raffles, happy hour, annual Hamilton festivals and enjoy all the major sporting events on the national calendar with good friends creating great memories.

Support, commitment and loyalty are vital ingredients to the success of any business and in particular with Newcastle continuing to undergo a major transformation with the revitalisation of the city taking place, members support is a key component to ensuring the future of the club for generations to come.

I look forward to seeing our members enjoying the new look club layout and amenities soon.

Take care.

Kind regards

Michael Cleary
Secretary Manager



B N LINDBECK PTY LTD ACN 079 130 000
ABN 99 839 215 857

Independent Audit Report to the members of The Gallipoli Legion Club Newcastle Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The Gallipoli Legion Club Newcastle Limited, which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of The Gallipoli Legion Club Newcastle Limited has been prepared in accordance with Corporations Act 2001, including:

- (i) giving a true and fair view of The Gallipoli Legion Club Newcastle Limited's financial position as at 30 June 2019 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

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 for the Audit of the Financial Report section of our report. We are independent of The Gallipoli Legion Club Newcastle Limited 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 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.

Responsibilities of Directors for the Financial Report

The Directors of The Gallipoli Legion Club Newcastle Limited are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Corporations Act 2001, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Independent Audit Report to the members of The Gallipoli Legion Club Newcastle Limited

In preparing the financial report, the Directors are responsible for assessing The Gallipoli Legion Club Newcastle Limited's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate The Gallipoli Legion Club Newcastle Limited or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing The Gallipoli Legion Club Newcastle Limited's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Gallipoli Legion Club Newcastle Limited's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on The Gallipoli Legion Club Newcastle Limited's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause The Gallipoli Legion Club Newcastle Limited to cease to continue as a going concern.

Independent Audit Report to the members of The Gallipoli Legion Club Newcastle Limited

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

B N Lindbeck

LINDBECK PARTNERS
Chartered Accountants

Cardiff 01 October 2019

DIRECTORS REPORT

The Directors of The Gallipoli Legion Club Newcastle Limited present their report together with the financial statements of the Company for the year ended 30 June 2019 and the Independent Audit Report thereon.

Directors

The following persons were Directors of The Gallipoli Legion Club Newcastle Limited during or since the end of the financial year.

NAME	QUALIFICATIONS	EXPERIENCE	SPECIAL RESPONSIBILITIES
Peter Coates		Since 2011	Director, President
Sharon Ellis		Since 2011	Director, Vice President
Melissa Bone		Appointed 11.06.2019	Director
Jeremy Crawford		Appointed 24.11.2018	Director
Debra Forbes		Appointed 24.11.2018	Director
Glenn Power		Since 2018	Director
Nathan Adams		Resigned 24.11.2018	Director
Haley Brooks		Resigned 24.11.2018	Director
Alistair Donaldson		Resigned 24.11.2018	Director
Toni-Anne Vincent		Appointed 24.11.2018 Resigned 11.06.2019	Director

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activities of the company during the period have been to encourage amongst members and their visitors the preservation of a spirit of loyalty to the Crown and to the and to perpetuate a sense of comradeship with the community such as was attained in the Australian armed Commonwealth of Australia services during the ANZAC campaign and other military engagements and to promote social intercourse and cultural and sporting activities amongst members and their guests and for the purpose to provide a Club with all the usual facilities of a Club for the accommodation of members and of former sailors, soldiers and airmen and of other persons. There has been no significant change in the nature of the Club's activities during the period.

Operating Results

The profit of the company from ordinary activities after providing for income tax amounted to \$680,456

Subsequent events

No matters or circumstances have arisen since the end of the financial period that have significantly affected or may significantly affect the operations of the company; the results of those operations; or the state of affairs of the company in future financial years.

Future Developments, Prospects and Business Strategies

Likely developments in the operations of the economic entity and the expected results of those operations have not been included in this report as the directors believe, on reasonable grounds, that the inclusion of such information would be likely to result in unreasonable prejudice to the company.

Changes in state of affairs

There was no significant change in the state of affairs of the company during the financial year.

DIRECTORS REPORT (continued)

Meetings of Directors

The number of meetings of Directors (including meetings of committees of Directors) held during the year, and the number of meetings attended by each Director, are as follows:

Director	Meetings	
	Eligible	Attended
Peter Coates	12	12
Sharon Ellis	12	11
Melissa Bone	1	1
Jeremy Crawford	8	6
Debra Forbes	8	7
Glenn Power	12	12
Nathan Adams	4	4
Haley Brooks	4	0
Alistair Donaldson	4	4
Toni-Anne Vincent	7	6

Contribution in winding up

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each Ordinary Social member is required to contribute a maximum of \$2 and Ordinary Members Legion, Ex-Service and Life Members a maximum of \$8 each towards meeting any outstanding obligations of the Company. At 30 June 2019, the total amount that members of the Company are liable to contribute if the Company is wound up is \$2,600 (2018 \$2,808).

Indemnifying Officers or Auditor

During the period, the company paid a premium for the Directors and officers liability insurance policy. The insurance policy provides for the directors named in this report, the company secretary, officers and former directors and officers of the company. The contract prohibits the disclosure of the nature of the liabilities and the amount of the premium.

Proceedings on Behalf of Company

No person has applied for leave of the Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the period.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is included in page 9 of this financial report and forms part of the Directors' Report.

Signed in accordance with a resolution of the directors



P COATES

HAMILTON 30 September 2019



B N LINDBECK PTY LTD ACN 079 130 000
ABN 99 839 215 857

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF THE GALLIPOLI LEGION CLUB NEWCASTLE LIMITED

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of The Gallipoli Legion Club Newcastle Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of section 307C of the Corporations Act 2001 in relation to the audit; and
- b. No contraventions of any applicable code of professional conduct in relation to the audit.

Lindbeck Partners

LINDBECK PARTNERS
Chartered Accountants

B N Lindbeck

B N Lindbeck
Partner

Cardiff, 29 September 2019

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 30 June 2019

	NOTES	2019 \$	2018 \$
Revenues	2	1,883,661	1,149,135
Changes in inventories of finished goods and work in progress		4,296	3,797
Raw materials and consumables used		(279,503)	(275,503)
Employee benefits expense		(325,585)	(334,666)
Depreciation and amortisation expenses	3	(80,300)	(68,761)
Other expenses		(522,113)	(553,417)
Profit/(loss) before income tax expense		680,456	(79,415)
Income tax expense	4	-	-
Profit/(loss) for the period		<u>680,456</u>	<u>(79,415)</u>

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION

as at 30 June 2019

	NOTES	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	79,805	95,020
Trade and other receivables	8	2,836	4,001
Inventories	9	12,371	8,075
Other current assets	10	43,266	32,465
TOTAL CURRENT ASSETS		<u>138,278</u>	<u>139,561</u>
NON-CURRENT ASSETS			
Financial assets	11	1,482,987	401,299
Property, plant and equipment	12	1,094,460	1,482,349
TOTAL NON-CURRENT ASSETS		<u>2,577,447</u>	<u>1,883,648</u>
TOTAL ASSETS		<u>2,715,725</u>	<u>2,023,209</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	84,388	93,381
Borrowings	14	26,969	15,672
Current tax liabilities	15	-	-
Short-term provisions	16	32,505	38,005
TOTAL CURRENT LIABILITIES		<u>143,862</u>	<u>147,058</u>
NON-CURRENT LIABILITIES			
Borrowings	14	23,130	8,941
Long-term provisions	16	39,317	38,250
TOTAL NON-CURRENT LIABILITIES		<u>62,447</u>	<u>47,191</u>
TOTAL LIABILITIES		<u>206,309</u>	<u>194,249</u>
NET ASSETS		<u>2,509,416</u>	<u>1,828,960</u>
EQUITY			
Reserves		1,218,514	1,218,514
Retained earnings		1,290,902	610,446
TOTAL EQUITY		<u>2,509,416</u>	<u>1,828,960</u>

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2019

	NOTES	Retained earnings	Asset Revaluation Reserve	Total
		\$	\$	\$
Balance at 30 June 2017		689,861	1,218,514	1,908,375
Profit attributable to members		(79,415)	-	(79,415)
Revaluation increment (decrement)		-	-	-
Balance at 30 June 2018		<u>610,446</u>	<u>1,218,514</u>	<u>1,828,960</u>
Profit attributable to members		680,456	-	680,456
Revaluation increment (decrement)		-	-	-
Balance at 30 June 2019		<u><u>1,290,902</u></u>	<u><u>1,218,514</u></u>	<u><u>2,509,416</u></u>

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS

for the year ended 30 June 2019

	NOTES	2019 \$	2018 \$
		INFLOWS (OUTFLOWS)	INFLOWS (OUTFLOWS)
Cash Flows from operating activities			
Receipts from customers		1,108,469	1,181,110
Payments to suppliers and employees		(1,246,995)	(1,271,110)
Interest received		9,550	10,001
Interest paid		(5,349)	7,243
Net cash provided by (used in) operating activities	20(a)	<u>(134,175)</u>	<u>(72,756)</u>
Cash Flows from investing activities			
Proceeds from sale of property, plant & equipment		1,325,000	65,000
Proceeds from sale of financial assets		401,288	12,209
Purchase of financial assets		(1,482,976)	-
Purchase of property, plant & equipment		(149,838)	(25,130)
Net cash provided by (used in) investing activities		<u>93,474</u>	<u>52,079</u>
Cash Flows from financing activities			
Proceeds from borrowings		76,242	23,500
Repayment of borrowings		(50,756)	(16,838)
Net cash used in financing activities		<u>25,486</u>	<u>6,662</u>
Net increase/(decrease) in cash held		(15,215)	(14,015)
Cash at 1 July 2018	7	<u>95,020</u>	<u>109,035</u>
Cash at 30 June 2019	7	<u><u>79,805</u></u>	<u><u>95,020</u></u>

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

The financial report covers The Gallipoli Legion Club Newcastle Limited as an individual entity. The Gallipoli Legion Club Newcastle Limited is a company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of The Gallipoli Legion Club Newcastle Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 30 September 2019.

Comparatives are consistent with prior years, unless otherwise stated.

1. STATEMENT OF ACCOUNTING POLICIES

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Corporations Act 2001.

The financial report covers The Gallipoli Legion Club Newcastle Limited as an individual entity. The Gallipoli Legion Club Newcastle Limited is a company limited by guarantee, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

(a) Income Tax

The charge for current income tax expenses is based on the profit for the period adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

(b) Inventories

Stock has been valued at the lower cost and net realisable value. Cost is based on the first-in-first-out principle and includes expenditure incurred in acquiring the stock and bringing it to location.

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are measured on the cost basis less depreciation and impairment losses.

The carrying amount of land and buildings is reviewed annually by the association to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the association to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land, is depreciated on a straight line basis or diminishing value basis over their useful lives to the association commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant & equipment	10% - 40%
Leased plant & equipment	40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entity are classified as finance leases.

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

(d) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Held-to-maturity investments

These investments have fixed maturities, and it is the company's intention to hold these investments to maturity. Any held-to-maturity investments held by the company are stated at amortised cost using the effective interest rate method.

(e) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred. The company has no legal obligation to cover any shortfall in the fund's obligation to provide benefits to employees on retirement.

(f) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(h) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(j) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(k) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key estimates — Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a

	NOTES	2019 \$	2018 \$
2. REVENUE			
Operating revenue			
- sale of goods		915,772	968,345
- membership revenue		7,182	7,274
- commissions received		24,486	28,590
- interest received		8,386	10,399
- other revenue		60,262	69,527
Non operating revenue			
- proceeds on disposal of property, plant and equipment		867,573	65,000
		<u>1,883,661</u>	<u>1,149,135</u>
3. PROFIT FROM ORDINARY ACTIVITIES			
Profit from ordinary activities before income tax expense has been determined after:			
(i) Expenses:			
Cost of sales		270,982	274,060
Depreciation		80,300	68,761
Employee provisions		13,142	23,840
4. INCOME TAX EXPENSE			
Income tax expense		-	-
5. DIRECTORS REMUNERATION			
The Directors received no benefits apart from normal reimbursement of expenses incurred in carrying out activities and duties on behalf of the company.			
6. AUDITORS REMUNERATION			
Remuneration of the auditor for:			
(a) auditing or reviewing the financial report		9,500	9,500
(b) other services		14,500	14,500
		<u>24,000</u>	<u>24,000</u>
7. CASH ASSETS			
CURRENT			
Cash at bank and in hand		77,743	92,958
Cash on deposit		2,062	2,062
		<u>79,805</u>	<u>95,020</u>

	NOTES	2019 \$	2018 \$
7. CASH ASSETS (cont.)			
The effective interest rate on short-term bank deposits was 0.10% (2018: 0.10%); these deposits have an average maturity of 90 days.			
Reconciliation of cash			
Cash at the end of the period as shown in the statement of cash flows is reconciled to items in the balance sheet as follows:			
Cash and cash equivalents		<u>79,805</u>	<u>95,020</u>
8. RECEIVABLES			
Other receivables		<u>2,836</u>	<u>4,001</u>
		<u>2,836</u>	<u>4,001</u>
9. INVENTORIES			
Finished goods		<u>12,371</u>	<u>8,075</u>
10. OTHER ASSETS			
Prepayments		43,256	32,455
Security deposits		<u>10</u>	<u>10</u>
		<u>43,266</u>	<u>32,465</u>
11. OTHER			
Financial Assets			
Held-to-maturity investments		1,482,977	401,289
Available-for-sale investments		<u>10</u>	<u>10</u>
		<u>1,482,987</u>	<u>401,299</u>
12. PROPERTY, PLANT AND EQUIPMENT			
<i>Land & Buildings</i>			
Freehold land (at deemed cost)		<u>358,360</u>	<u>772,000</u>
Total land		<u>358,360</u>	<u>772,000</u>
Freehold buildings (at deemed cost)		800,858	784,236
Less accumulated depreciation		<u>(284,392)</u>	<u>(264,450)</u>
Total buildings		<u>516,466</u>	<u>519,786</u>
Total land & buildings		<u>874,826</u>	<u>1,291,786</u>
<i>Plant & Equipment</i>			
Plant & equipment (at cost)		787,401	785,977
Accumulated depreciation		<u>(674,467)</u>	<u>(656,029)</u>
		<u>112,934</u>	<u>129,948</u>
Poker machines (at cost)		443,662	381,656
Accumulated depreciation		<u>(336,962)</u>	<u>(321,041)</u>
		<u>106,700</u>	<u>60,615</u>
Total plant & equipment		<u>219,634</u>	<u>190,563</u>
Total property, plant and equipment		<u>1,094,460</u>	<u>1,482,349</u>

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the

	Freehold Land	Buildings	Plant & Equipment	Poker Machines	Total
	\$	\$	\$	\$	\$
Balance at the beginning of the period	772,000	519,786	129,948	60,615	1,482,349
Additions		16,622	1,424	88,004	106,050
Disposals	413,640				413,640
Depreciation expense		19,942	18,438	41,919	80,299
Carrying amount at the end of the period	<u>358,360</u>	<u>516,466</u>	<u>112,934</u>	<u>106,700</u>	<u>1,094,460</u>

	NOTES	2019	2018
		\$	\$
13. PAYABLES			
Trade payables		48,498	59,777
Sundry payables & accrued expenses		<u>35,890</u>	<u>33,604</u>
		<u>84,388</u>	<u>93,381</u>

14. BORROWINGS

CURRENT

Lease liabilities	17	<u>26,969</u>	<u>15,672</u>
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NON-CURRENT

Lease liabilities	17	<u>23,130</u>	<u>8,941</u>
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TOTAL BORROWINGS	22	<u>50,099</u>	<u>24,613</u>
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Leased liabilities are secured by the underlying leased assets.

15. TAX LIABILITIES

Income tax		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>

16. PROVISIONS

	Employee Entitlements	Total
	\$	\$
Opening balance at 1 July 2018	76,255	85,688
Additional provisions raised during the period	25,380	23,840
Amounts used	<u>(29,813)</u>	<u>(33,273)</u>
Balance at 30 June 2019	<u>71,822</u>	<u>76,255</u>

Analysis of Total Provisions

Current	32,505	38,005
Non-current	<u>39,317</u>	<u>38,250</u>
	<u>71,822</u>	<u>76,255</u>

	NOTES	2019 \$	2018 \$
Provision for Employee Entitlements			
<p>A provision has been recognised for employee entitlements relating to annual and long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits has been included in Note 1.</p>			
17. CAPITAL AND LEASING COMMITMENTS			
Finance Lease Commitments			
Payable - minimum lease payments			
- not later than 12 months		-	-
- later than 12 months but not later than 5 years		-	-
- greater than 5 years		-	-
Minimum lease payments		-	-
Less future finance charges		-	-
Present value of minimum lease payments		-	-
18. RESERVES			
a. Asset Revaluation Reserve			
The asset revaluation reserve records revaluations of non-current assets			
19. SEGMENT REPORTING			
The company operates predominantly in one business and geographical segment being the entertainment industry in the Hunter Valley.			
20. CASH FLOW INFORMATION			
(a) Reconciliation of cash flows from operations with profit from ordinary activities after income tax			
Operating profit after from ordinary activities after income tax		680,456	(79,415)
Non cash flows in profit from ordinary activities			
Depreciation		80,300	68,761
Capital gain		(867,573)	(65,000)
Changes in assets and liabilities			
(Increase)/Decrease in receivables		1,165	(398)
(Increase)/Decrease in inventories		(4,296)	2,823
(Increase)/Decrease in other assets		(10,801)	(3,301)
Increase/(Decrease) in payables		(8,993)	13,207
Increase/(Decrease) in tax liabilities		-	-
Increase/(Decrease) in employee provisions		(4,433)	(9,433)
Cash Flows from Operations		(134,175)	(72,756)

21. FINANCIAL INSTRUMENTS

	Floating	Fixed		Non	Total
	Interest	Interest		Interest	
	Rate	1 year	Over 1 to	Bearing	
		or less	5 years		
	\$	\$	\$	\$	\$
30 June 2019					
Financial Assets					
Cash and cash equivalents	79,805	-	-	-	79,805
Receivables	-	-	-	2,836	2,836
Investments	-	1,482,987	-	10	1,482,997
	<u>79,805</u>	<u>1,482,987</u>	<u>-</u>	<u>2,846</u>	<u>1,565,638</u>
Weighted average interest	0.10%	2.51%			
Financial Liabilities					
Payables	-	-	-	48,498	48,498
Borrowings	-	-	50,099	-	50,099
	<u>-</u>	<u>-</u>	<u>50,099</u>	<u>48,498</u>	<u>98,597</u>
Net financial assets/(liabilities)	<u>79,805</u>	<u>1,482,987</u>	<u>(50,099)</u>	<u>(45,652)</u>	<u>1,467,041</u>
30 June 2018					
Financial Assets					
Cash and cash equivalents	95,020	-	-	-	95,020
Receivables	-	-	-	4,001	4,001
Investments	-	401,289	-	10	401,299
	<u>95,020</u>	<u>401,289</u>	<u>-</u>	<u>4,011</u>	<u>500,320</u>
Weighted average interest	0.10%	2.60%			
Financial Liabilities					
Payables	-	-	-	59,777	59,777
Borrowings	-	-	24,613	-	24,613
	<u>-</u>	<u>-</u>	<u>24,613</u>	<u>59,777</u>	<u>84,390</u>
Net financial assets/(liabilities)	<u>95,020</u>	<u>401,289</u>	<u>(24,613)</u>	<u>(55,766)</u>	<u>415,930</u>

22. MEMBERS' GUARANTEE

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the company is wound up, the Constitution states that each Ordinary Social member is required to contribute a maximum of \$2 and Ordinary Members Legion, Ex-Service and Life Members a maximum of \$8 towards meeting any outstanding obligations of the company. As at 30 June 2019 the number of Ordinary Social members was 1072 and Ordinary Members Legion, Ex-Service and Life members was 57. (2017: Ordinary Social 1156; Legion, Ex-Service and Life 62)

23. CONTINGENCIES

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2019 (30 June 2018: None).

24. RELATED PARTIES

The Company's main related parties are as follows:

Directors

Other related parties include close family members of Directors and entities that are controlled or significantly influenced by those Directors or their close family members.

Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

25. EVENTS AFTER THE END OF THE REPORTING PERIOD

The financial report was authorised for issue by the Directors on 30 September 2019.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

26. STATUTORY INFORMATION

The registered office of the company is:

3 - 5 Beaumont Street, HAMILTON

The principal place of business of the company is:

3 - 5 Beaumont Street, HAMILTON

DIRECTORS DECLARATION

In the opinion of the directors of The Gallipoli Legion Club Newcastle Limited:

a) the financial statements and notes of The Gallipoli Legion Club Newcastle Limited are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the company's financial position as at 30 June 2019 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b) there are reasonable grounds to believe that The Gallipoli Legion Club Newcastle Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.



P COATES

HAMILTON 30 September 2019



B N LINDBECK PTY LTD ACN 079 130 000
ABN 99 839 215 857

DISCLAIMER

The additional financial data presented in the following pages is in accordance with the books and records of The Gallipoli Legion Club Newcastle Limited ('our client') which have been subjected to the auditing procedures applied in our statutory audit of the company for the year ended 30 June 2019. It will be appreciated that our statutory audit did not cover all details of the additional year financial data.

Accordingly we do not express an opinion on such financial data and no warranty of accuracy or reliability is given. Neither the firm, nor any member or employee of the firm, undertakes responsibility in any way whatsoever to any person (other than our client) in respect of such data, including any errors or omission therein however caused.

Lindbeck Partners

LINDBECK PARTNERS
Chartered Accountants

B N Lindbeck

B N Lindbeck
Partner

Cardiff 01 October 2019

TRADING STATEMENTS

For the year ended 30 June 2019

	NOTES	2019 \$	2018 \$
LIQUOR			
Sales		<u>614,015</u>	<u>606,025</u>
Cost of Sales			
Opening stock		8,057	10,411
Purchases		<u>269,821</u>	<u>255,673</u>
		<u>277,878</u>	<u>266,084</u>
Closing stock		<u>12,282</u>	<u>8,057</u>
		<u>265,596</u>	<u>258,027</u>
Gross profit		<u>348,419</u>	<u>347,998</u>
		56.74%	57.42%
DEDUCT DIRECT EXPENSES			
Repairs & maintenance		5,366	12,037
Glass replacement		1,071	-
Wages		<u>220,233</u>	<u>225,687</u>
		<u>226,670</u>	<u>237,724</u>
BAR NET OPERATING REVENUE		<u>121,749</u>	<u>110,274</u>
		19.83%	18.20%
BAR SUNDRY			
Sales		11,274	27,956
Purchases		5,386	16,033
Wages		<u>809</u>	<u>10,626</u>
		<u>6,195</u>	<u>26,659</u>
BAR SUNDRY NET OPERATING REVENUE		<u>5,079</u>	<u>1,297</u>
		45.05%	4.64%
POKER MACHINES			
Poker machine clearances		<u>290,483</u>	<u>334,364</u>
DEDUCT DIRECT EXPENSES			
Service, analysis & repairs		34,009	30,169
Poker machine game license fees		<u>24,953</u>	<u>26,455</u>
		<u>58,962</u>	<u>56,624</u>
POKER MACHINE REVENUE		<u>231,521</u>	<u>277,740</u>
		79.70%	83.07%

This statement is to be read in conjunction with the attached disclaimer of Lindbeck Partners

STATEMENT OF INCOME & EXPENDITURE

For the year ended 30 June 2019

	NOTES	2019 \$	2018 \$
INCOME			
Bar net operating revenue		121,749	110,274
Bar sundry net operating revenue		5,079	1,297
Poker machine revenue		<u>231,521</u>	<u>277,740</u>
		<u>358,349</u>	<u>389,311</u>
Commission - cigarettes & sweets		108	504
Commission - Club Keno		24,378	28,086
Function revenue		7,559	8,686
Interest income		8,386	10,399
Membership subscriptions		7,182	7,274
Raffle income		15,773	19,239
Other income		34,505	38,133
Eftpos receipts		<u>2,425</u>	<u>3,469</u>
		<u>100,316</u>	<u>115,790</u>
TOTAL INCOME		<u><u>458,665</u></u>	<u><u>505,101</u></u>

This statement is to be read in conjunction with the attached disclaimer of Lindbeck Partners

STATEMENT OF INCOME & EXPENDITURE

For the year ended 30 June 2019

	NOTES	2019 \$	2018 \$
TOTAL INCOME		<u>458,665</u>	<u>505,101</u>
GENERAL EXPENSES & OVERHEADS			
Accountancy & auditing		24,000	24,000
Advertising		6,134	3,103
Bank charges		2,044	4,556
Cash shortage / (surplus)		(1,086)	(947)
Cleaning		38,362	36,066
Computer software		18,440	7,978
Consultancy services		-	6,030
Directors expenses		172	69
Electricity		33,236	46,499
Hire of equipment		1,234	1,236
Insurance		45,513	42,837
Interest		5,350	7,243
Night patrol & cash collection		1,090	1,360
Printing, postage & stationery		6,854	9,150
Rates		40,454	43,165
Repairs & maintenance		13,199	14,089
Salaries, wages & allowances		73,462	75,803
Staff training		-	-
Staff uniforms		41	1,570
Sundry expenses		793	818
Superannuation		31,890	33,176
Telephone		4,499	4,608
Temporary staff		5,541	3,106
Travel & entertainment		1,356	227
		<u>352,578</u>	<u>365,742</u>
AMENITIES & SOCIAL EXPENSES			
Catering		2,907	3,759
Club Keno expenses		2,006	1,655
Donations		4,497	1,930
Entertainment		138,302	126,122
Mortality, welfare & benevolence		743	1,063
Raffle prizes		23,716	27,010
Socials & refreshments - members		27,063	29,204
Subscriptions		528	430
		<u>199,762</u>	<u>191,173</u>
TOTAL OPERATING EXPENSES		<u>552,340</u>	<u>556,915</u>
NET OPERATING INCOME		<u>(93,675)</u>	<u>(51,814)</u>

This statement is to be read in conjunction with the attached disclaimer of Lindbeck Partners

STATEMENT OF INCOME & EXPENDITURE

For the year ended 30 June 2019

	NOTES	2019 \$	2018 \$
NET OPERATING INCOME		<u>(93,675)</u>	<u>(51,814)</u>
OTHER EXPENSES			
Depreciation - buildings		19,941	19,601
Depreciation - plant & equipment		18,438	24,133
Depreciation - poker machines		41,921	25,027
Provision for long service leave		1,068	3,448
Provision for annual & sick leave		<u>12,074</u>	<u>20,392</u>
		<u>93,442</u>	<u>92,601</u>
		(187,117)	(144,415)
NON RECURRING ITEMS		<u>867,573</u>	<u>65,000</u>
NET INCOME BEFORE INCOME TAX		<u><u>680,456</u></u>	<u><u>(79,415)</u></u>

This statement is to be read in conjunction with the attached disclaimer of Lindbeck Partners
