

THE GALLIPOLI MEMORIAL CLUB LIMITED
ABN 49 001 038 740
and Controlled Entities

ANNUAL REPORT

for the year ended
31 December 2016

NOTICE OF ANNUAL GENERAL MEETING
Wednesday 19 April 2017
to be held at
12 Loftus Street, Sydney
commencing at 11:30am

AGENDA

- 1 Open Meeting**
- 2 Apologies**
- 3 Confirmation of Minutes of Previous Annual General Meeting**
- 4 Business arising out of Minutes**
- 5 To receive and, if thought fit, adopt the report of the Directors and the audited Financial Accounts for the year ended 31st December 2016**
- 6 To declare the results of the election of Directors**
- 7 Ordinary Resolution relating Directors' benefits:**

“That pursuant to Section 10(1)(i) of the Registered Clubs Act 1996 (as amended), to consider and if thought pass the following resolution as an Ordinary Resolution:

- a. The members hereby approve and agree to expenditure by the Club of the reasonable costs of the Directors whilst representing the Club to be borne by the Club, including out-of-pocket expenses for the following activities:
 - (i) The reasonable cost of a meal and beverage for each director immediately before or immediately after a Board or Committee meeting on the day of that meeting;
 - (ii) Reasonable expenses incurred by directors in travelling to and from directors meetings or other duly constituted committee meetings as approved by the Board from time to time on the production of invoices, receipts or other proper documentary evidence of such expenditure;
 - (iii) Reasonable expenses incurred by the directors in relation to such other duties including entertainment of special guests, whether they be a member of the Club or not, to the Club and other promotional activities performed by directors which activities and the expenses there from are approved by the Board before payment is made on production of receipts, invoices or other proper documentary evidence of such expenditure;
 - (iv) As Directors may be required to attend Clubs NSW and other educational industry meetings or business related conferences the costs associated with courses relating to:

AGENDA
(CONTINUED)

- (a) Directors' responsibilities
 - (b) Best Club Management Practices
 - (c) Latest Industry Developments
 - (d) Responsible Service of Alcohol
 - (e) Responsible Gaming Practices.
- (v) The expenses associated with travel to and accommodation associated with the annual Gallipoli Art Prize and the Canakkale Art Competition including expenses associated with the requirement that the club be represented at the announcement and presentation of the Art Prize in Turkey.

NB: The members acknowledge that the benefits in paragraph (a) are not available to members generally but only for those who are directors of the Club as a reimbursement of out-of-pocket expenses in accordance with Clause 4 of the Club's Constitution.

8 Special Resolution : Proposed granting of Life Membership to Mr. Alf Carpenter

The following resolution requires approval from 75% of members attending the annual general meeting, being eligible to vote, and voting thereat.

That the recommendation by the Board that Mr. Alf Carpenter be elected a Life Member of The Gallipoli Memorial Club Ltd. is approved.

9 Special Resolutions: Proposed Changes to Memorandum and Articles of Association of the Gallipoli Memorial Club Ltd. (Constitution)

The following amendments are sought to the existing Constitution of the Gallipoli Memorial Club Ltd. In accordance with the provisions of the Corporations Act 2001, they require approval from 75% of members attending the annual general meeting, being eligible to vote, and voting thereat.

Resolution One - Change Section 29 (a)

“That in Section 29 (a) of the Constitution the word ‘annually’ be changed to ‘biennially’ and inserting at end of Section 29 (a) ‘, commencing with the elections in 2018’.”

AGENDA
(CONTINUED)

Current Constitution and Proposed Amendment

The Board of Directors shall consist of the following:-

- (i) The President
- (ii) The Senior Vice-President
- (iii) The Junior Vice-President
- (iv) The Treasurer
- (v) The Board shall, prior to the calling for nomination, by resolution decide the number of directors to be elected for the ensuing year.

In accordance with article 30 and subject to Article 9, the Board shall be elected biennially by the general body of the members, commencing with the election in 2018.

Affected Supporting Notes

The proposed amendment to the Constitution changes the period of elections to the Board of the Gallipoli Club from every 12 months to every two years. Amendments were previously made by the NSW state government to the Registered Clubs Act 1976 to enable smaller clubs to elect boards for a period of two years. This has the effect of reducing the administrative burden on smaller clubs. The Club's Constitution still empowers members to petition for a general meeting that can remove the entire Board if they are unhappy with the way the Club is run. Directors are not paid any honorarium for their services and it is more of a case of ensuring a continuity of appropriate board members than having competition for directorships each year.

Resolution Two - Change Section 29 (c)

“That Section 29 (c) of the Constitution be amended by inserting after the word ‘constitute’ the words ‘the Executive and shall exercise such powers as’.”

Current Constitution and Proposed Amendment

The President the two (2) Vice-Presidents and the Treasurer shall constitute the Executive and shall exercise such powers as the Board may from time to time direct.

Affected Supporting Notes

The proposed change to the Constitution clarifies the composition and powers of the Executive.

Resolution Three – Change Section 36 (g)

“That Section 36 (g) of the Constitution be amended to reduce the quorum required at all general meetings of the Club from ‘twenty (20)’ financial members to ‘ten (10)’ financial members present and entitled to vote.”

AGENDA
(CONTINUED)

Current Constitution and Proposed Amendment

The quorum at all general meetings shall be ten (10) financial members present and entitled to vote.

Affected Supporting Notes

The proposed amendment seeks to reduce the Club's quorum at all general meetings from 20 to 10 financial members and deletes the reference to extraordinary meetings as these are now treated as general meetings in corporation's legislation. The Club's overall membership has reduced over a number of years and the ability of the Club to ensure a quorum is present at general meetings is becoming increasingly difficult. If there are no contentious items, meetings have been up to 20 minutes late as phone calls are made to members to encourage their participation. With the proposed redevelopment of 12-14 Loftus Street, it is envisaged that in the next couple of years that this problem will be even worse. The reduction in numbers is simply a pragmatic approach to ensure that the Club fulfils its statutory and legal obligations.

Resolution Four – Change Section 32 (e)

“That Section 32 (e) of the Constitution be amended by deleting ‘extraordinary’ and replacing the words ‘legion ordinary life or honorary life members’ with ‘Full Members’”

Current Constitution and Proposed Amendment

In the event of the whole of the Board being removed from office the general meeting shall appoint an acting Board of not more than (5) Full Members with one as chairman to manage the affairs of the Club until the election of a Board as provided by Articles 29 and 30 hereof.

Affected Supporting Notes

The Club's Constitution empowers members to petition for a general meeting that can remove the entire Board if they are unhappy with the way the Club is run. The proposed amendment aligns this provision to the current membership classification.

AGENDA
(CONTINUED)

10 Other Business

To transact any other business that may be brought forward in accordance with Article 36(j) of the Club's constitution.

NOTE TO MEMBERS

This note is to be read in conjunction with agenda item 10:

Article 36(j) of the Club's constitution states:

"Any Member wishing to bring before an Annual General Meeting any Notice of Motion shall give notice thereof in writing to the Secretary/Manager not later than the seventh (7th) day in the month of February preceding such Meeting, and no Notice of Motion shall be put to the Meeting unless so lodged within the prescribed time."

By order of the Board



DAVID SCOTT, Secretary
21 March 2017

**ANNUAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2016**

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The financial report covers The Gallipoli Memorial Club Limited as an individual entity and the consolidated entity consisting of The Gallipoli Memorial Club Limited and its subsidiaries. The financial report is presented in the Australian currency.

The financial report was authorised for issue by the directors on 21 March 2017. The Gallipoli Memorial Club Limited has the power to amend and reissue the financial report.

DIRECTORS' REPORT

The directors present their report together with the financial report of The Gallipoli Memorial Club Limited (the "Club") and of the consolidated entity, being the Club and its controlled entities for the year ended 31 December 2016 and the auditor's report thereon.

1 DIRECTORS

The names and details of directors in office at any time either during or since the financial year and their special responsibilities are:

Director	Position	Particular
Ware, Stephen Leonard *	President	Company Director
Ford, David Radcliffe (1,3,4)	Senior Vice-President	Solicitor
Codd, Edward Daryl (1,2,3)	Junior Vice-President	Stockbroker
Brogan, John Dominic (1,2)	Treasurer of the Club	Company Director
Condon, Andrew (7)		Company Director/Veteran
Heathwood, Scott William James (3)		Company Chairman
Robertson, John William (2,5)		Public Servant (Retired)
Tetley, Glenn (2,6)		Company Director

* The President is an ex-officio member of the Board Committees.

- (1) Member of the executive committee.
- (2) Member of the building development and project committees
- (3) Member of the membership committee.
- (4) Responsibility for corporate governance, audit and risk management.
- (5) Responsibility for art prizes.
- (6) Responsibility for investments.
- (7) Responsibility for identifying museum development options.

Other than as stated, the directors have no special area of responsibility.

2 PARTICULARS ABOUT THE CLUB

The Gallipoli Memorial Club Limited, incorporated and domiciled in Australia, is a public company limited by guarantee. The address of the registered office is 12 Loftus Street, SYDNEY, NSW, 2000. As at 31 December 2016 the Club had 430 members (2015: 444). In the event that the Club was to be wound up each member would be obliged to contribute a maximum of \$2 under the provisions of the Club's constitution.

3 SECRETARY AND MANAGER

The Club's secretary is Mr David Scott. Mr Scott is a member of the Institute of Chartered Accountants in Australia.

The Club's manager is Ms Margaret Brown.

DIRECTORS' REPORT
(CONTINUED)

4 OFFICERS WHO WERE PREVIOUSLY PARTNERS OF THE AUDIT FIRM

No officers of the Club during the financial year were previously partners of the audit firm, Nexia Sydney Partnership.

5 PRINCIPAL ACTIVITIES, OBJECTIVES AND STRATEGIES

The principal objectives of the consolidated entity during the course of the financial year were implemented in accordance with the Club's Creed:

"We believe... that, within the community, there exists an obligation for all to preserve the special qualities of loyalty, respect, love of country, courage and comradeship which were personified by the heroes of the Gallipoli Campaign and bequeathed to all humanity as a foundation for perpetual peace and universal freedom".

The principal activities of the consolidated entity during the course of the financial year were:

- i. The provision of amenities and facilities associated with a social club for the benefit of members and their guests. Since 18 March 2016, these activities are available on a limited basis.
- ii. Licencing and leasing of the Club's real estate.
- iii. The acquisition and preservation of museum memorabilia.

Otherwise, no significant change in the nature of these activities occurred during the year.

To achieve these objectives the directors of the Club have undertaken the following strategic actions:

- * maintaining the Club's premises in good order;
- * developing strategic relationships with the Consulate Generals of New Zealand and the Republic of Turkey in Sydney and various representatives of government, business communities and universities in Australia and Turkey;
- * following the best practice principles of sound corporate governance at board and administration levels;
- * conserving cash;
- * closely monitoring costs;
- * employing suitably qualified and competent staff; and
- * following sound probity processes and working with suitably qualified and competent advisers, consultants, contractors and other goods and services providers.

DIRECTORS' REPORT
(CONTINUED)

6 OPERATING AND FINANCIAL REVIEW

a Trading

Loftus Street trading ceased in March, 2016 and operations are now conducted by a licensee.

b Staffing

Staffing levels have been adjusted for the change in operational activities.

c Results

The results of the consolidated entity for the year ended 31 December 2016 were:

- i. a loss of \$62,667 (2015 loss: \$287,472); and
- ii. a decrease in the investment revaluation reserve of \$6,000 (2015: increase of \$17,265)

7 CLUB PREMISES

Loftus Street

The Club signed an Option Deed with the AMP entity Kent Street Pty. Limited, ("AMP") on 1st April 2014.

The Option Deed provides for the Club to retain the existing premises, dispose of the airrights relating to these premises, acquire both new and leasehold premises adjoining the Club in the basement of 2-10 Loftus Street and the receipt of annual option fees and an indexed lump sum amount.

Under the Option Deed, the Club's obligations include planning, conservation and heritage issues for the precinct and the preparation and submission of a Stage II Development Application. The Directors have devoted considerable time to addressing these issues, including participation in meetings with representatives of the AMP. Extensive discussions with the AMP have taken place relating to all aspects of the Quay Quarter revitalisation project impacting on the Club. The Stage II Development Application has been submitted and incorporates a half floor basement, intended to enhance the value of the Club's property.

Members are reminded that all information pertaining to the Option Deed with the AMP should be treated as confidential.

Pitt Street

The Club's office suite at 105 Pitt Street is leased to 20 November 2020.

DIRECTORS' REPORT
(CONTINUED)

8 DIVIDENDS

The Constitution prohibits the payment of dividends to members of the Club.

9 STATE OF AFFAIRS

No significant changes in the state of affairs of the consolidated entity occurred during the financial year.

10 EVENTS SUBSEQUENT TO REPORTING DATE

In January 2017 the Club entered into a Heads of Agreement with AMP to amend the Option Deed and subsequently agreement was reached with the AMP for the Club to be reimbursed for a substantial amount of the Development Application expenditure incurred in prior years.

Dialogue continues with the City of Sydney Council in relation to the Stage II Development Application submitted for the Club's premises at 12-14 Loftus Street, Sydney.

Otherwise, 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 Club to significantly affect the operations of the consolidated entity, the results of these operations or the state of affairs of the Club in subsequent financial years.

11 LIKELY DEVELOPMENTS

The consolidated entity will continue to pursue its principal activities. Other than the resolution of matters relating to the Club's premises, it is not expected that the results in future years will be adversely affected by the continuation of these operations.

Further disclosure of information regarding likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the consolidated entity. Accordingly, this information has not been disclosed in this report.

12 ENVIRONMENTAL REGULATIONS

The consolidated entity's operations are not subject to any significant environmental regulations under Australian Law.

DIRECTORS' REPORT
(CONTINUED)

13 DIRECTORS' MEETINGS

The number of meetings of the directors and committees and the number of meetings attended by each of the directors of the Club during the financial year are listed below:

	Number of Meetings Attended		Number of Meetings Entitled to Attend	
	<i>Board</i>	<i>Committee</i>	<i>Board</i>	<i>Committee</i>
Stephen Ware	14	4	14	5
Ted Codd	13	5	14	5
John Brogan	13	5	14	6
Glenn Tetley	12	5	14	6
David Ford	12	0	14	0
John Robertson	11	2	14	5
Scott Heathwood	5	0	14	0
Andrew Condon	11	0	14	0

14 INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

Indemnification

Since the end of the previous financial year, the Club has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Club.

Insurance premiums

During the financial year the consolidated entity has paid premiums in respect of directors' and officers' liability insurance contracts for the year ended 31 December 2016. Such insurance contracts insure against certain liabilities (subject to specific exclusions) persons who are or have been directors or executive officers of the entities comprising the consolidated entity.

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability insurance contracts, as such disclosure is prohibited under the terms of the contract.

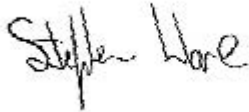
15 LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 14 and forms part of the directors' report for the financial year ended 31 December 2016.

THE GALLIPOLI MEMORIAL CLUB LIMITED
ABN 49 001 038 740
and Controlled Entity
(A Company Limited by Guarantee)

DIRECTORS' REPORT
(CONTINUED)

Signed in accordance with a resolution of the directors

A handwritten signature in black ink that reads "Stephen Ware". The signature is written in a cursive style with a large initial 'S'.

S L Ware, *President*
21 March 2017

To the Board of Directors of The Gallipoli Memorial Club Limited

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

As lead audit partner for the audit of the financial statements of The Gallipoli Memorial Club Limited for the financial year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of *the Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

Yours sincerely



Nexia Sydney Partnership



Andrew Hoffmann
Partner

Sydney
Dated: 21 March 2017

PRESIDENT'S REPORT

Dear Members

Last year was a year of consolidation for the Club with the decision being made by the Board to close the regular trading operations of the Club and to lease the premises out to a proven restaurant operator. This was done in order to conserve cashflow and to enable the Club to be put on a sound financial footing pending the redevelopment of the site.

It is a timely reminder that with the redevelopment, the Gallipoli Memorial Club will continue to own its present site and continue to uphold the name and the creed that was bequeathed by its founding members. At a time when many smaller clubs in the CBD, and for that matter around NSW, are experiencing difficulties and are closing or amalgamating, your Club remains financially sound and the redevelopment should ensure the continuation of the Gallipoli Memorial Club for the next 100 years. It is fitting that this is occurring so shortly after the 100th anniversary of the landing in Gallipoli and it comes at a time when the Club continues to support activities aligned to the Gallipoli tradition.

The Club was originally formed by Gallipoli veterans and to become an office bearer, one initially had to have fought on the Gallipoli peninsula. Time has certainly put paid to this part of our heritage but time has not taken away our commemoration of this important event and milestone in Australian history.

The Club continues to support the Art Prize and will do so for years to come. In addition, last year saw us unveil the busts of Victoria Cross winners from the ANZAC corps that were awarded as a result of action at the Gallipoli peninsula.

It is pleasing to report that at the end of 2016, our cash position and the Club's financial position is sound. The Club has planned for the closure of the site and the redevelopment with the AMP is proceeding. It is envisaged that by year's end, the Club premises will close and redevelopment of the precinct will commence.

At this stage, we are looking at 2020 until the Club opens following the redevelopment. However this will depend on the building being completed on time. During the construction, the Club will continue to be in existence, will continue to hold AGMs and will also continue to hold the Lone Pine function and also run the Art Prize.


I would like to take this opportunity to thank the members for their time and efforts during the long process of the redevelopment which, at long last, appears to be coming to a close. I would also like to take this opportunity to thank my fellow directors and our staff member Margaret Brown for their efforts in 2016.

THE GALLIPOLI MEMORIAL CLUB LIMITED
ABN 49 001 038 740
and Controlled Entity
(A Company Limited by Guarantee)

PRESIDENT'S REPORT
(CONTINUED)

At the AGM, I will be relinquishing the position of President. I have nominated as a director for the Board to provide assistance and counsel where necessary. I would like to thank members for their support and for the privilege of holding the position of President of the Gallipoli Memorial Club.

Yours sincerely

A handwritten signature in black ink that reads "Stephen Ware". The signature is written in a cursive, slightly slanted style.

S L Ware, President
21 March 2017

TREASURER'S REPORT

I have prepared my report for presentation to the members of The Gallipoli Memorial Club Limited at the annual general meeting being held on 19 April, 2017.

The consolidated results for the Club and its subsidiary for the year ended 31 December 2016

- i. a net loss of \$62,667 (2015: a net loss of \$287,472) after charging:
 - > income tax expense of \$4,979 (2015: \$11,804)
 - > amortisation and depreciation of \$98,324 (2015: \$120,735); and
- ii. a decrease in the investment revaluation reserve of \$6,000 (2015: increase of \$17,265).

A summary of the significant revenue streams from operations, consulting fees paid exceeding \$5,000 and legal fees are detailed below:

		2016	2015
		\$	\$
<i>Revenue Streams</i>			
Bar takings		27,674	142,089
Poker Machine takings		6,477	32,026
Option fee		300,000	300,000
Interest		22,857	36,493
Rental income		189,420	171,167
<hr/>			
<i>Consultants' fees</i>			
Acoustic engineers	Acoustic Logic Consultancy	-	7,700
Architect's fees	Lipmann Partners	63,300	140,900
BCA certifier	Phillip Chun & Associates Pty Ltd	1,080	6,600
Planning	Urbis	-	18,827
Quantity surveyor	Rider Levett Bucknall	1,500	15,225
Services engineers	Building Services Engineers	-	7,200
Structural engineers	Arup	-	8,600
<hr/>			
<i>Legal fees</i>			
Licencing matters	Back Schwarts Vaughan	9,250	1,027
Stage II development	Corrs Chambers Westgarth	37,714	53,312
application and obligations	Henry Davis York	-	3,717
under Option Deed	M Avenell	813	1,625
Rental matters	Curwoods Lawyers	15	2,000
<hr/>			

The Club's premises have been subject to the AMP option arrangements for over 15 years. Throughout this period, the contractual obligations contain a requirement for the Club to provide vacant possession at short notice. During the 2016 year further costs were incurred in submitting the Stage II Development Application. The Club operated facilities for members and their guests until 18 March 2016. Since that date, these facilities have been operated under licence.

TREASURER'S REPORT
(CONTINUED)

The Club continues to support the Gallipoli Scholarship program conducted by the Gallipoli Scholarship Fund Inc.

The continuing success of the Gallipoli Art Prize competition is most encouraging.

The Club supported the establishment in Turkey of an association, Turkey-Australia-New Zealand Friendship and Promotion Association. The office bearers include Niyazi Adali, President and Keith Tidswell, Secretary. The association's headquarters are located in the Turkish capital, Ankara. Planning is well advanced for establishing the association's Anzac Memorial Garden during the coming spring.

I extend my thanks to directors, staff and members for their support and contributions during the year.



John Brogan, Treasurer
21 March 2017

Independent Auditor's Report to the Members of The Gallipoli Memorial Club Limited

Report on the Audit of the Financial Report

Opinion

We have audited the annual report of The Gallipoli Memorial Club Limited (the Company and its subsidiaries (the Club)), which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated 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 annual report of the Club is in accordance with the *Corporations Act 2001*, including:

- i) giving a true and fair view of the Club's financial position as at 31 December 2016 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements 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 annual report' section of our report. We are independent of the entity in accordance with 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 annual report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other information

The directors are responsible for the other information. The other information comprises the information in The Gallipoli Memorial Club Limited's annual report for the year ended 31 December 2016, but does not include the financial report and the auditor's report thereon.

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

In connection with our audit of the annual report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual 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 the other information we are required to report that fact. We have nothing to report in this regard.

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Directors' responsibility for the annual report

The directors of the Company are responsible for the preparation of the annual 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 control as the directors determine is necessary to enable the preparation of the annual report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the annual report, the directors are responsible for assessing the entity'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 entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the annual report

Our objectives are to obtain reasonable assurance about whether the annual 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 the 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 this annual report.

A further description of our responsibilities for the audit of the annual report is located at The Australian Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

The Nexia logo is written in a stylized, cursive font.**Nexia Sydney Partnership**A handwritten signature in black ink, appearing to read 'Andrew Hoffmann', with a long horizontal line extending to the right.

Andrew Hoffmann
Partner

Dated: 24 March 2017
Sydney

DIRECTORS' DECLARATION

In the opinion of the directors of The Gallipoli Memorial Club Limited:

- a** the financial statements and notes set out on pages 22 to 44 are in accordance with the Corporations Act 2001, including:
 - i** giving a true and fair view of the Club's and the group's financial position as at 31 December 2016 and their performance as represented by their results and cash flows, 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; and
- b** there are reasonable grounds to believe that the Club will be able to pay its debts as and when they fall due and payable.

Signed in accordance with a resolution of the directors:



S L Ware, President
21 March 2017

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Consolidated		The Club	
		2016	2015	2016	2015
		\$	\$	\$	\$
Revenue	3	224,968	347,558	224,968	347,558
Other Income	4	303,852	470,072	302,652	369,210
Total Income		528,820	817,630	527,620	716,768
Employee Benefits Expense	5	(84,524)	(199,686)	(84,524)	(199,686)
Depreciation and Amortisation Expenses of Plant and Equipment	5	(98,324)	(118,642)	(96,524)	(118,242)
Occupancy Costs		(97,718)	(120,735)	(93,607)	(118,112)
Direct Poker Machine Costs		(2,256)	(5,702)	(2,256)	(5,702)
Costs of Goods Sold		(19,064)	(57,224)	(19,064)	(57,224)
Insurance		(25,148)	(29,596)	(25,148)	(29,596)
Other Expenses		(282,331)	(598,207)	(255,266)	(513,268)
Total Expenses		(609,365)	(1,129,792)	(576,389)	(1,041,830)
Financial Income	6	22,857	36,493	11,053	5,941
DEFICIT BEFORE INCOME TAX		(57,688)	(275,668)	(37,716)	(319,121)
Income Tax Expense	8a	(4,979)	(11,804)	(4,979)	(11,804)
DEFICIT FOR THE YEAR	20	(62,667)	(287,472)	(42,695)	(330,924)
Other Comprehensive Income after Income Tax					
(Decrement)/Increment in available-for-sale financial assets in Investment Revaluation Reserve	19	(6,000)	17,265	-	-
TOTAL COMPREHENSIVE DEFICIT FOR THE YEAR		(68,667)	(270,207)	(42,695)	(330,924)

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

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Consolidated		The Club	
		2016	2015	2016	2015
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and Cash Equivalents	9	1,897,819	1,836,386	1,356,890	1,311,711
Trade and Other Receivables	10	9,401	70,883	9,401	16,830
Inventories	11	2,216	14,070	2,216	14,070
Prepayments	12	19,924	23,069	19,924	23,069
TOTAL CURRENT ASSETS		1,929,360	1,944,408	1,388,431	1,365,680
NON-CURRENT ASSETS					
Financial Assets	13	66,000	72,000	-	-
Property, Plant and Equipment	14	3,166,540	3,252,750	2,611,314	2,715,724
TOTAL NON-CURRENT ASSETS		3,232,540	3,324,750	2,611,314	2,715,724
TOTAL ASSETS		5,161,900	5,269,158	3,999,745	4,081,404
CURRENT LIABILITIES					
Trade and Other Payables	15	63,341	88,238	62,168	87,438
Other Financial Liabilities	16	-	-	1,000,000	1,000,000
Employee Benefits	17	32,493	50,493	32,493	50,493
Current Tax Liabilities	8b	4,979	-	4,979	-
Revenue and Other Income in Advance	18	300,000	300,673	300,000	300,673
TOTAL CURRENT LIABILITIES		400,813	439,404	1,399,640	1,438,604
TOTAL LIABILITIES		400,813	439,404	1,399,640	1,438,604
NET ASSETS		4,761,087	4,829,754	2,600,105	2,642,800
MEMBERS' FUNDS					
Reserves	19	1,744,113	1,750,113	1,793,976	1,793,976
Accumulated Surpluses	20	3,016,974	3,079,641	806,129	848,824
TOTAL MEMBERS' FUNDS		4,761,087	4,829,754	2,600,105	2,642,800

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

THE GALLIPOLI MEMORIAL CLUB LIMITED
ABN 49 001 038 740
and Controlled Entity
(A Company Limited by Guarantee)

**STATEMENT OF CHANGES IN MEMBERS' FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	Consolidated		The Club	
		2016	2015	2016	2015
		\$	\$	\$	\$
TOTAL MEMBERS' FUNDS AT THE BEGINNING OF THE FINANCIAL YEAR		4,829,754	5,099,961	2,642,800	2,973,724
Deficit for the Year	20	(62,667)	(287,472)	(42,695)	(330,924)
Movement in Investment Revaluation Reserve resulting from disposal of and remeasurement of market value of available-for-sale financial assets	19	<u>(6,000)</u>	<u>17,265</u>	<u>-</u>	<u>-</u>
TOTAL MEMBERS' FUNDS AT THE END OF THE FINANCIAL YEAR		<u>4,761,087</u>	<u>4,829,754</u>	<u>2,600,105</u>	<u>2,642,800</u>

The above statement of changes in members' funds should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

		Consolidated		The Club	
	Note	2016	2015	2016	2015
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Receipts from Trading Operation		295,105	427,947	239,712	409,827
Cash Payments in the Course of Operations		(566,529)	(1,031,672)	(535,586)	(946,546)
Interest, Dividends and Trust Distributions Received		22,857	36,493	11,053	5,941
Option Fee Received		330,000	330,000	330,000	330,000
Income Tax Paid		-	(11,804)	-	(11,804)
Net Cash From (Used in) Operating Activities	24ii	81,433	(249,036)	45,179	(212,582)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for Property, Plant and Equipment		(20,000)	(40,284)	-	(8,139)
Proceeds from Disposal of Financial Assets		-	755,297	-	60,000
Net Cash From/(Used In) Investing Activities		(20,000)	715,013	-	51,862
CASH FLOWS FROM FINANCING ACTIVITIES					
Deposit received		-	-	-	1,000,000
Net Cash From Financing Activities		-	-	-	1,000,000
NET INCREASE IN CASH HELD		61,433	465,977	45,179	839,280
Cash and Equivalents at beginning of year		1,836,386	1,370,409	1,311,711	472,431
Cash and Equivalents at end of year	24i	1,897,819	1,836,386	1,356,890	1,311,711

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1 REPORTING ENTITY

The Gallipoli Memorial Club Limited ("The Club"), incorporated and domiciled in Australia, is a public company limited by guarantee. The address of the registered office is 12 Loftus Street, Sydney, NSW, 2000.

The financial report includes financial statements for the consolidated entity consisting of the Club and its subsidiaries. The principal activities of the consolidated entity are the provision of amenities and facilities associated with a social club for the benefit of members and their guests and the acquisition and preservation of museum memorabilia.

2 BASIS OF PREPARATION

a Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

Compliance with Australian Accounting Standards – Reduced Disclosure Requirements

The consolidated financial statements of The Gallipoli Memorial Club Limited comply with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board.

b Basis of measurement

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available for sale financial assets and certain classes of property, plant and equipment.

c Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Club's functional currency.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

2 BASIS OF PREPARATION (Continued)

d Use of estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes.

e Basis of Consolidation

i Subsidiaries

Subsidiaries are entities controlled by the group. Control exists when the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

The Turkish subsidiary Gelibolu established in May 2004 was wound up during the 2015 year.

ii Transactions Eliminated on Consolidation

Intra-group balances and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by group entities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

2 BASIS OF PREPARATION (Continued)

f Revenue Recognition

Sales Revenue

Sales revenue comprises revenue earned from the provision of products or services to entities outside the consolidated entity. Sales revenue is recognised when the products are provided, or when the fee in respect of services provided is receivable.

Subscriptions and Entrance Fees

Subscriptions and entrance fees are brought to account when receivable from either existing or new members of the Club.

Dividend Income

Dividends are recognised when the right to receive the entitlements are established.

Interest Income

Interest income is recognised as it accrues.

Rent Income

Rent income is recognised when the fee in respect of rental services provided is receivable.

Other Income

Income from other sources is recognised when the fee in respect of other products or services provided is receivable.

g Income Tax

The consolidated entity adopts the liability method of tax effect accounting.

Under the provisions of the Income Tax Assessment Act, income and expenses wholly applicable to members of the Club are not brought to account for the purposes of calculating the income or loss for tax purposes. The income, for tax purposes, has been calculated based on the Club's net income and expenses not attributable to members.

h Receivables

Trade debtors

Trade debtors to be settled within 90 days are carried at amounts due. The collectability of debts is assessed at balance date and specific provision is made for any doubtful accounts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

2 BASIS OF PREPARATION (Continued)

i Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is assigned using the specific identification basis.

j Available-For-Sale Investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognized in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as current assets when they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as non-current assets.

k Acquisitions and Impairment of Assets

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

Property, plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

2 BASIS OF PREPARATION (Continued)

I Leased Assets

Leases under which the Club or its controlled entities assume substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

Operating Leases

Payments made under operating leases are expensed on a straight line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

m Recoverable Amount of Non-Current Assets Valued on Cost Basis

The carrying amounts of non-current assets valued on the cost basis, are reviewed by directors annually to determine whether they are in excess of their recoverable amount at balance date. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employed and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts. If the carrying amount of a non-current asset exceeds its recoverable amount, the asset is written down to the lower amount. The write-down is recognised as an expense in the net surplus or deficit in the reporting period in which it occurs.

n Depreciation and Amortisation

Useful lives

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Depreciation is recognised in profit or loss..

Assets are depreciated or amortised from the date of acquisition.

The depreciation/amortisation rates used for each class of asset are as follows:

	Depreciation Rate	Depreciation Method
* Buildings & Improvements	2.5-20%	Straight line
* Poker Machines	33.3%	Straight line
* Plant, Furniture & Fittings	10-25%	Straight line
* Leasehold Improvements	10-50%	Straight line

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

2 BASIS OF PREPARATION (Continued)

o Payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

p Employee Benefits

Wages, Salaries and Annual Leave

Liabilities for employee benefits for wages and salaries (including non-monetary benefits) and annual leave expected to be settled within 12 months of the reporting date representing present obligations resulting from employees' services provided up to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the consolidated entity expects to pay as at reporting date including related on-costs.

Long Service Leave

The provision for employee benefits for long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided up to reporting date.

Retirement Benefit Obligations

The consolidated entity contributes to accumulation superannuation plans. Contributions are charged against income as they are made.

q Members' Guarantee

The Gallipoli Memorial Club Limited is a company limited by guarantee, with the liability of members limited to the amount set out in the Club's Constitution.

r 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 Taxation Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables which are subject to GST are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from the investing and financing activities which are recoverable from or payable to the ATO are classified as operating cash flows.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

2 BASIS OF PREPARATION (Continued)

s New Standards

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2016 and earlier application is permitted; however, the Group has not early adopted new or amended standards in preparing these consolidated financial statements. The Group has not yet performed an analysis of the impact of the new standards, however, they are not expected to have any material impact on the preparation of the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Consolidated		The Club	
	2016	2015	2016	2015
	\$	\$	\$	\$
3 REVENUE				
Bars	27,674	142,089	27,674	142,089
Poker Machines	6,477	32,026	6,477	32,026
Restaurant and Property Rental Income	189,420	171,167	189,420	171,167
Subscriptions	1,397	2,276	1,397	2,276
	<u>224,968</u>	<u>347,558</u>	<u>224,968</u>	<u>347,558</u>
4 OTHER INCOME				
Option Fee	300,000	300,000	300,000	300,000
Other Income	2,745	167,035	1,545	66,173
Gaming GST Rebate	1,107	3,037	1,107	3,037
	<u>303,852</u>	<u>470,072</u>	<u>302,652</u>	<u>369,210</u>
5 EXPENSES				
Employee Benefits Expense				
Wages and Salaries	95,133	180,116	95,133	180,116
Other Associated Personnel Expenses	212	2,322	212	2,322
Contributions to Defined Contribution Superannuation Funds	7,179	16,059	7,179	16,059
Increase in Liability for Employee Benefits Provision	(18,000)	1,189	(18,000)	1,189
	<u>84,524</u>	<u>199,686</u>	<u>84,524</u>	<u>199,686</u>
Depreciation and Amortisation				
Depreciation and Amortisation of Plant and Equipment	98,324	118,642	96,524	118,242

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Consolidated		The Club	
	2016	2015	2016	2015
	\$	\$	\$	\$
6 FINANCIAL INCOME				
Interest Income - Other Parties	22,857	36,493	11,053	5,941
7 AUDITORS' REMUNERATION				
Payable to the Auditors of the Club - Nexia Sydney Partnership				
Audit Services				
Audit of the Financial Report	14,118	25,242	14,118	22,242
Other Services	-	-	-	-
	14,118	25,242	14,118	22,242
8 TAXATION				
a Income Tax Expense				
Prima facie income tax expense calculated at 30% on the deficit from ordinary activities	(17,306)	(82,700)	(11,315)	(95,737)
Increase/(decrease) in income tax expense due to:				
Under-provision in prior year	-	11,804	-	11,804
Non-deductible expenses	(9,994)	122,808	(6,093)	96,420
Non-assessible income	32,279	(40,107)	22,387	(683)
Income tax expense relating to ordinary activities	4,979	11,804	4,979	11,804

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Consolidated		The Club	
	2016	2015	2016	2015
	\$	\$	\$	\$
13 FINANCIAL ASSETS				
Non-Current				
<i>Available-for-Sale Listed Securities</i>				
Bionomics Limited - at cost	115,863	115,863	-	-
Net change in value	(49,863)	(43,863)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Market value	66,000	72,000	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
14 PROPERTY, PLANT AND EQUIPMENT				
Non-Current				
Freehold land	1,800,000	1,800,000	1,800,000	1,800,000
	<hr/>	<hr/>	<hr/>	<hr/>
Buildings	2,180,859	2,180,859	2,180,859	2,180,859
Accumulated depreciation	(1,451,207)	(1,382,120)	(1,451,207)	(1,382,120)
	<hr/>	<hr/>	<hr/>	<hr/>
Total buildings	729,652	798,739	729,652	798,739
	<hr/>	<hr/>	<hr/>	<hr/>
Building improvements	107,050	107,050	107,050	107,050
Accumulated depreciation	(45,492)	(34,788)	(45,492)	(34,788)
	<hr/>	<hr/>	<hr/>	<hr/>
Total building improvements	61,558	72,262	61,558	72,262
	<hr/>	<hr/>	<hr/>	<hr/>
Poker machines	-	109,520	-	109,520
Accumulated depreciation	-	(96,690)	-	(96,690)
	<hr/>	<hr/>	<hr/>	<hr/>
Total poker machines	-	12,830	-	12,830
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Consolidated		The Club	
	2016	2015	2016	2015
	\$	\$	\$	\$
14 PROPERTY, PLANT AND EQUIPMENT (Continued)				
Furniture and fittings	136,555	136,556	136,555	136,556
Accumulated depreciation	(116,451)	(104,663)	(116,451)	(104,663)
	<hr/>	<hr/>	<hr/>	<hr/>
Total furniture and fittings	20,104	31,893	20,104	31,893
	<hr/>	<hr/>	<hr/>	<hr/>
Museum memorabilia	557,826	537,826	-	-
Accumulated depreciation	(2,600)	(800)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total museum memorabilia	555,226	537,026	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total property, plant and equipment	<u>3,166,540</u>	<u>3,252,750</u>	<u>2,611,314</u>	<u>2,715,724</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

14 PROPERTY, PLANT AND EQUIPMENT (Continued)

	Balance at 31 December 2015 \$	Additions at cost \$	Cost Depreciation and Amortisation Expense \$	Disposal of Fixed Asset \$	Balance at 31 December 2016 \$
Non-Current - Consolidated					
Freehold Land	1,800,000	-	-	-	1,800,000
Buildings	798,739	-	(69,087)	-	729,652
Building Improvements	72,262	-	(10,704)	-	61,558
Poker Machines	12,830	-	(4,944)	(7,886)	-
Furniture and Fittings	31,893	-	(11,789)	-	20,104
Museum Memorabilia	537,026	20,000	(1,800)	-	555,226
Total non-current - consolidated	3,252,750	20,000	(98,324)	(7,886)	3,166,540
Non-Current - Club					
Freehold Land	1,800,000	-	-	-	1,800,000
Buildings	798,739	-	(69,087)	-	729,652
Building Improvements	72,262	-	(10,704)	-	61,558
Poker Machines	12,830	-	(4,944)	(7,886)	-
Furniture and Fittings	31,893	-	(11,789)	-	20,104
Total non-current - club	2,715,724	-	(96,524)	(7,886)	2,611,314

Note: Freehold land and building are carried at cost less accumulated depreciation of buildings. These assets are subject to the restraints contained in the Option Deed entered into with the AMP on 1 April 2014. The directors are of the opinion that the carrying value is a reasonable approximation of market value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Consolidated		The Club	
	2016	2015	2016	2015
	\$	\$	\$	\$
15 TRADE AND OTHER PAYABLES				
Current				
Other Creditors and Accruals	36,060	54,717	34,887	53,917
GST Payable	27,281	33,521	27,281	33,521
	<u>63,341</u>	<u>88,238</u>	<u>62,168</u>	<u>87,438</u>
16 OTHER FINANCIAL LIABILITIES				
Deposit from Controlled Entity <i>Note 23 (ii)</i>	-	-	1,000,000	1,000,000
	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>
17 EMPLOYEE BENEFITS				
Current				
Annual Leave	14,802	23,663	14,802	23,663
Long Service Leave	17,691	26,830	17,691	26,830
	<u>32,493</u>	<u>50,493</u>	<u>32,493</u>	<u>50,493</u>
18 REVENUE AND OTHER INCOME IN ADVANCE				
Current				
Subscriptions in Advance	-	673	-	673
AMP Option	300,000	300,000	300,000	300,000
	<u>300,000</u>	<u>300,673</u>	<u>300,000</u>	<u>300,673</u>
19 RESERVES				
Available-for-Sale Investment				
Revaluation Reserve	(49,863)	(43,863)	-	-
Capital Profits Reserve	8,556	8,556	8,556	8,556
Asset Revaluation Reserve	1,785,420	1,785,420	1,785,420	1,785,420
	<u>1,744,113</u>	<u>1,750,113</u>	<u>1,793,976</u>	<u>1,793,976</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

19 RESERVES (Continued)

Nature and Purpose of Reserves

Asset Revaluation Reserve

The asset revaluation reserve includes the net revaluation increments and decrements arising from the revaluation of property, plant and equipment in accordance with AASB 116.

Capital Profits Reserve

Upon disposal of revalued assets, any related revaluation increment standing to the credit of the asset revaluation reserve is transferred to the capital profits reserve.

Available-for-Sale Investment Revaluation Reserve

Changes in the fair value and exchange differences arising on translation of investments, such as equities, classified as available-for-sale financial assets, are taken to the available-for-sale investment revaluation reserve. Amounts are recognised in profit and loss when the associated assets are sold or impaired.

Movement in Reserves

Available-for-Sale Investment Revaluation Reserve

	Consolidated		The Club	
	2016	2015	2016	2015
	\$	\$	\$	\$
Balance 1 January	(43,863)	(61,128)	-	-
(Decrease)/Increase in value posted to reserve	(6,000)	17,265	-	-
Balance 31 December	<u>(49,863)</u>	<u>(43,863)</u>	-	-

20 ACCUMULATED SURPLUS

Accumulated surplus at the beginning of the year	3,079,641	3,367,113	848,824	1,179,748
Deficit for the year	<u>(62,667)</u>	<u>(287,472)</u>	<u>(42,695)</u>	<u>(330,924)</u>
Accumulated surplus at the end of the year	<u>3,016,974</u>	<u>3,079,641</u>	<u>806,129</u>	<u>848,824</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

21 SUPERANNUATION PLAN

The Club contributed to four accumulation employee superannuation plans. The Club has a legally enforceable obligation to contribute to these plans.

22 DIRECTOR DISCLOSURES

A Directors

The persons who were directors of the Club during the financial year were:

Ware, Stephen Leonard
Codd, Edward Daryl
Condon, Andrew
Heathwood, Scott William James

Ford, David Radcliffe
Brogan, John Dominic
Robertson, John, William
Tetley, Glenn

B Transactions with Director Related Entities

Nominal sub-commissions, amounting to less than \$40 (2015: \$40), were received by Mr Codd as a result of his employment with Bell Potter Securities Limited and relates to the arrangement of the consolidated entity's investment in shares and funds deposited with Macquarie Bank Limited. This arrangement was contracted under normal terms and conditions.

An amount of \$2,850 (2015: \$10,000) was received by Mr S Ware for outsourced secretarial services for the Club, arranged by him and contracted under normal terms and conditions.

C Remuneration of Directors

All directors act in an honorary capacity and receive no remuneration. In accordance with the Club's Constitution, directors may be reimbursed for out-of-pocket expenses incurred while acting on behalf of the Club.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

23 CONTROLLED ENTITIES

i Particulars in Relation to Controlled Entities

	Country of Incorporation	Control Interest	
		2016 %	2015 %
Controlling Entity			
The Gallipoli Memorial Club Limited	Australia	0	0
Controlled Entities			
The Gallipoli Memorial Club Museum Fund Incorporated ("The Museum")	Australia	100	100
The Gelibolu Memorial Special Education, Tourism, Commerce Limited Company - wound up during 2015	Turkey	-	-

ii Transactions with Controlled Entities

The Club entered into an Option Deed with the AMP on 1 April 2014. If exercised it will result in the existing Loftus Street premises being refurbished and the acquisition of a stratum unit in 2-10 Loftus Street. The Museum has paid to the Club an interest free deposit of \$1,000,000 in anticipation of the establishment and operation of a museum by the Museum within the Club's premises. If the option is not exercised the Club will refund the Museum the deposit of \$1,000,000.

24 NOTES TO THE STATEMENT OF CASH FLOWS

i For the purpose of the Statement of Cash Flows, cash and cash equivalents include cash on hand, term deposits and cash at bank. Cash and cash equivalents at the end of the financial year as shown in the Statement of Cash Flows are reconciled to the related items in the balance sheets as follows:

	Consolidated		The Club	
	2016 \$	2015 \$	2016 \$	2015 \$
Cash on hand	-	20,000	-	20,000
Cash at bank	1,356,890	1,291,711	1,356,890	1,291,711
Restricted cash	540,929	524,675	-	-
	<u>1,897,819</u>	<u>1,836,386</u>	<u>1,356,890</u>	<u>1,311,711</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

24 NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

ii Reconciliation of Net Cash Used in Operating Activities with Deficit for the Year

	Consolidated		The Club	
	2016	2015	2016	2015
	\$	\$	\$	\$
Deficit for the Year	(62,667)	(287,472)	(42,695)	(330,924)
Depreciation and Amortisation of Plant and Equipment	98,324	118,642	96,524	118,242
Gain on disposal of Financial Assets	-	(93,061)	-	(55,000)
Write Off of Fixed Asset	7,886	34,500	7,886	34,500
Change in Provision for Employee Entitlements	(17,999)	1,190	(17,999)	1,190
Change in Other Debtors	61,483	(36,062)	7,430	9,571
Change in Prepayments	3,145	4,399	3,145	1,899
Change in Revenue And Other Income in Advance	(673)	385	(673)	385
Change in Trade and Other Payables	(24,897)	9,798	(25,270)	8,912
Change in Inventories	11,852	(1,356)	11,852	(1,356)
Change in Current Tax Liabilities	4,979	-	4,979	-
Net Cash From (Used in) Operating Activities	81,433	(249,036)	45,179	(212,582)

25 KEY MANAGEMENT PERSONNEL DISCLOSURES

Particulars of the remuneration of the key executives of The Gallipoli Memorial Club Limited for the consolidated entity is set out in the following table.

	Consolidated		The Club	
	2016	2015	2016	2015
	\$	\$	\$	\$
Short-term employee benefits	58,661	69,949	58,661	69,949

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

26 CLUB OPERATIONS AND GOING CONCERN

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

The Board has reviewed both the current and expected future operations of the Club, having regard to the effects of the cessation of trading operations, rental and licence income, other business and investment income, option fees receivable, fixed and variable costs and planning for the re-development of the premises and fitout requirements. It is considered that the going concern basis is appropriate with the Club maintaining a prudent level of business activities, utilising other revenue streams available and progressing planning for the re-development of the premises.

Subsequent to exercise of the Option by the AMP, The Club will be required to provide vacant possession to enable the building redevelopment program to be undertaken and for the subsequent fitout. Members will be kept informed in relation to this matter.

27 PARENT ENTITY FINANCIAL INFORMATION

A Guarantees entered into by parent entity

The parent entity has not provided financial guarantees during the years ended 31 December 2016 and 31 December 2015.

B Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 31 December 2016 or 31 December 2015.

C Contractual commitments for the acquisition of property, plant or equipment

As at 31 December 2016, the parent entity had no contractual commitments for the acquisition of property, plant or equipment.

**DETAILED STATEMENT OF COMPREHENSIVE INCOME
DETAILED TRADING STATEMENTS
DISCLAIMER**

The additional financial information presented on the following pages is in accordance with the books and records of the consolidated entity consisting of the Club and its subsidiaries which have been subjected to the auditing procedures applied in our statutory audit of the Club for the year ended 31 December 2016.

Our statutory audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

In accordance with our firm policy, we advise that neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any person (other than the Club) in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.



Nexia Sydney Partnership



Andrew Hoffmann
Partner

Sydney
Dated: 24 March 2017



SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2016
DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Consolidated		The Club	
	2016	2015	2016	2015
	\$	\$	\$	\$
INCOME				
Option Fee	300,000	300,000	300,000	300,000
Net (Loss)/Profit from Bar Trading Statement	(1,143)	56,212	(1,143)	56,212
Net (Loss)/Profit from Poker Machine Trading Statement	(723)	11,491	(723)	11,491
Restaurant and Property Rental Income	189,420	171,167	189,420	171,167
Subscriptions	1,397	2,276	1,397	2,276
Interest Income	22,857	36,493	11,053	5,941
Other Income	2,745	68,974	1,545	6,173
Gain/(Loss) on sale of investments	-	38,061	-	-
Gain on sale of intangible assets	-	60,000	-	60,000
Gaming GST Rebate	1,107	3,037	1,107	3,037
	<u>515,660</u>	<u>747,712</u>	<u>502,656</u>	<u>616,297</u>
EXPENSES				
Accountancy Fees	20,750	29,317	20,750	29,317
Audit Fees	14,118	25,242	14,118	22,242
Advertising and Promotion	84	794	84	794
Art Prize Expenses	26,862	81,932	-	-
Bank Charges/Brokerage	699	1,766	561	1,759
Cleaning	9,621	28,672	9,621	28,672
Club Entertainment	6,189	20,922	6,189	20,922
Club Meeting Expenses	6,579	6,612	6,579	6,612
Computer Consulting	2,464	2,324	2,464	2,324
Computer Maintenance	3,044	4,355	2,979	4,355
Consulting Expenses	68,445	169,848	68,445	169,848
Depreciation	93,380	103,810	91,580	103,410
Donations	-	5,000	-	5,000
Electricity and Gas	16,799	28,739	16,799	28,739
Insurance	25,148	29,596	25,148	29,596
Legal Fees	47,792	63,010	47,792	63,010
Local Travel	5,611	8,174	5,611	8,174
Loss on Sale of Investment	-	5,000	-	5,000
Postage	2,499	2,359	2,499	2,359

SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2016
DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Consolidated		The Club	
	2016	2015	2016	2015
	\$	\$	\$	\$
<i>Continued</i>				
Printing and Stationery	4,375	5,601	4,375	5,601
Provision for Employee Entitlements	(18,000)	1,189	(18,000)	1,189
Publication Costs - Gallipoli Gazette	7,577	11,374	7,577	11,374
Rates and Taxes	51,863	49,661	51,863	49,661
Rent – Administration	2,514	2,623	-	-
Repairs and Maintenance	26,542	39,712	24,945	39,712
Salaries and Wages	95,133	180,116	95,133	180,116
Security Services	1,192	1,304	1,192	1,304
Staff Expenses	212	2,322	212	2,322
Subscriptions	1,995	1,626	1,995	1,626
Sundry Expenses	16,651	36,592	16,651	36,592
Superannuation	7,179	16,059	7,179	16,059
Telephone and Facsimile	18,145	21,092	18,145	21,092
Visits and Activities in Turkey	-	2,138	-	2,138
Write Off of Fixed Asset	7,886	34,500	7,886	34,500
	<u>573,348</u>	<u>1,023,380</u>	<u>540,372</u>	<u>935,418</u>
DEFICIT BEFORE INCOME TAX	<u>(57,688)</u>	<u>(275,668)</u>	<u>(37,716)</u>	<u>(319,121)</u>

SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2016
DETAILED BAR TRADING STATEMENT

	Consolidated		The Club	
	2016	2015	2016	2015
	\$	\$	\$	\$
SALES				
Loftus Street - Main Bar	27,674	142,089	27,674	142,089
COST OF GOODS SOLD				
Opening Stock	14,070	12,714	14,070	12,714
Purchases	7,210	58,580	7,210	58,580
Closing Stock	(2,216)	(14,070)	(2,216)	(14,070)
	19,064	57,224	19,064	57,224
GROSS PROFIT	8,610	84,866	8,610	84,866
Gross Profit Percentage	31.1%	59.7%	31.1%	59.7%
EXPENSES				
Bar Expenses	7,032	9,820	7,032	9,820
Stocktake Fees	586	4,041	586	4,041
Other	2,135	14,793	2,135	14,793
	9,753	28,654	9,753	28,654
NET (LOSS)/SURPLUS FROM BAR TRADING	(1,143)	56,212	(1,143)	56,212

SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2016
DETAILED POKER MACHINE TRADING STATEMENT

	Consolidated		The Club	
	2016	2015	2016	2015
	\$	\$	\$	\$
INCOME				
Poker Machine Revenue - Loftus Street	6,477	32,026	6,477	32,026
EXPENSES				
Depreciation and Amortisation	4,944	14,832	4,944	14,832
Repairs and Maintenance	2,256	5,702	2,256	5,702
	7,200	20,534	7,200	20,534
NET (LOSS)/SURPLUS FROM POKER MACHINE TRADING	(723)	11,491	(723)	11,491