



Australian Government
Australian Industrial Registry

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Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7929
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Email: eve.anderson@airc.gov.au

Mr Johnnie Walker
President
Clubs Victoria Inc
P.O. Box 363
Carlton South, VIC, 3053

cc: Robert H Wald
Partner
Bell Partners
Chartered Accountants
P.O. Box 7424
St Kilda Road, VIC, 8004

Dear Mr Walker

**Re: Schedule 1 of the Workplace Relations Act 1996 (the RAO Schedule)
Financial reports for the year ended 30 June 2008 – FR 2008/374**

I acknowledge receipt of the financial reports of Clubs Victoria Inc for the year ended 30 June 2008. The documents were lodged in the Industrial Registry on 29 September 2008, an amended Auditor's report on the 28 October 2008 and a clarification note on the 10 November 2008.

The financial documents have been filed.

I direct your attention to the following comments regarding the above reports. Please note that these matters are advised for assistance in the preparation of future financial reports; no further action is required in respect of the report lodged.

1. Operating report: Membership of committee of management

Regulation 159(c) of the *Workplace Relations (Registration and Accountability of Organisations) Regulations 2003* (RAO Regulations) provides that the Operating Report should contain the name of each person who has been a member of the committee of management of the reporting unit at any time during the reporting period, and the period for which he or she held such a position.

I note the Operating Report partly complies with this requirement, but further details should be supplied. The offices of any members of the committee who resigned during the financial year need to be identified. For example it should be specified that Mr Leon Weingard resigned from the office of President. Also, the actual date of election to an office and the actual date of resignation from an office that occurred during the financial year need to be identified. For example, the office of President was held by Mr Leon Wiengard until 3/6/008 and presumably Mr Johnnie Walker from that date. If Mr Johnnie Walker was a committee member or other office bearer during the financial year before he became President this would need to be specified.

2. Signatures

It would be convenient to identify the office of the signatories to the Operating report and Committee of Management's statement at the signature point. Also, they need only to be signed by one designated officer.

3. Auditor's Qualifications

I note that Robert Wald is a partner in Bell Partners (Chartered Accountants) and that he has a Registered Company Auditor number. On the basis of this information I assume that he is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accountants and that he holds a current Public Practice Certificate. It would be useful if he confirmed this on future auditor's reports. (Regulation 4 defines an approved auditor as a person who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accountants and holds a current Public Practice Certificate.)

Should you wish to discuss any of the matters raised in this letter, I may be contacted on (03) 8661 7929 or by email at eve.anderson@airc.gov.au.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Eve Anderson', with a long horizontal flourish extending to the right.

Eve Anderson
Statutory Services Officer
Australian Industrial Registry

Tel: 03 86617929
Email: eve.anderson@airc.gov.au

12 November 2008

24 September 2008

Australian Industrial Registry
Level 5
11 Exhibition Street
MELBOURNE Vic 3000

Email: orgs@air.gov.au

Attn : Mr Kevin Donnellan
Statutory Services Branch

Dear Kevin

RE: CLUBS VICTORIA INC
Annual Return of Information
Financial Report for the Year Ended 30 June 2008 –
Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)
Reference No: AR2008/374-[253V]

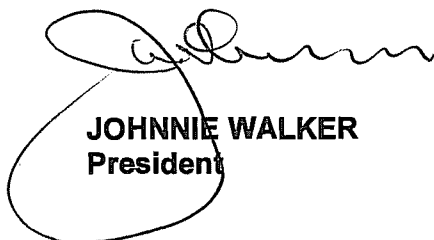
Please find attached audited Financial Reports for the year ended 30 June 2008.

I confirm that the documents lodged are copies of the accounts mailed to the members on 27 August 2008, prior to its presentation to the Annual General Meeting held on 17 September 2008.

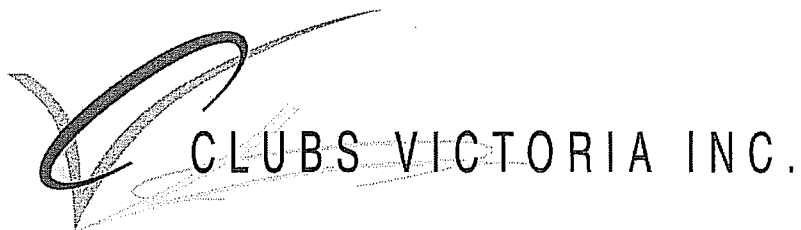
These include auditor's report, accounts and statements provided free of charge to the members. These documents provide information required to be lodged in accordance with the *Workplace Relations Act 1996*.

If there are any questions regarding the above, please do not hesitate to contact the undersigned or Annie Cummings by telephone on 9349 2909 or email 'acummings@clubsvic.org'

Yours faithfully,



JOHNNIE WALKER
President



FINANCIAL REPORT

for the Year Ended

30 June 2008

ABN 51 979 013 143

BALANCE SHEET AS AT 30 JUNE 2008

	<u>Note</u>	<u>2008</u> \$	<u>2007</u> \$
<u>CURRENT ASSETS</u>			
Cash and cash equivalents	2	833,280	1,070,345
Trade and other receivables	3	85,362	27,075
Financial assets	4	560,030	576,228
TOTAL CURRENT ASSETS		1,478,672	1,673,648
<u>NON CURRENT ASSETS</u>			
Property, plant and equipment	5	34,549	58,726
TOTAL NON-CURRENT ASSETS		34,549	58,726
TOTAL ASSETS		1,513,221	1,732,374
<u>CURRENT LIABILITIES</u>			
Trade and other payables	6	362,540	425,062
Provisions	7	101,013	49,992
Short-term borrowings	8	-	6,446
TOTAL CURRENT LIABILITIES		463,553	481,500
<u>NON-CURRENT LIABILITIES</u>			
Provisions	7	33,500	44,091
Long-term borrowings	8	-	18,980
TOTAL NON-CURRENT LIABILITIES		33,500	63,071
TOTAL LIABILITIES		497,053	544,571
NET ASSETS		1,016,168	1,187,803
<u>MEMBERSHIP FUNDS:</u>			
General fund		1,254,527	1,105,585
Assets held for Resale reserve	9	(238,359)	82,218
TOTAL MEMBERS FUNDS		1,016,168	1,187,803

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2008

	<u>Financial Assets</u> <u>Reserve</u> \$	<u>Retained</u> <u>Earnings</u> \$	<u>Total</u> \$
Balance at 1 July 2006	-	695,232	695,232
Profit attributable to members	-	410,354	410,354
Revaluation increment	82,218		82,218
Balance at 30 June 2007	<u>82,218</u>	<u>1,105,586</u>	<u>1,187,804</u>
Profit attributable to members		148,941	148,941
Revaluation Decrement	(320,577)		(320,577)
Balance at 30 June 2008	<u>(238,359)</u>	<u>1,254,527</u>	<u>1,016,168</u>

ABN 51 979 013 143

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	<u>2008</u>	<u>2007</u>
	\$	\$
REVENUE		
<u>Member revenue</u>		
Members subscriptions	452,058	459,082
Members gaming code levy	133,940	133,805
Fighting Fund Levy	50,569	-
	<u>636,567</u>	<u>592,886</u>
<u>Other operating revenue</u>		
Awards Night	(15,362)	27,858
Commissions received	51,859	63,397
Club Development Program	412,500	600,000
Clubs and Pubs Show	17,531	-
Fees for Services	104,850	37,300
Government grants	15,500	8,677
Position Descriptions (HBS)	6,668	6,130
Recruitment income	77,656	71,471
Secretariat fees	72,273	50,000
Seminar income	19,392	48,104
Sponsorship	248,930	211,556
Sports days income	(8,794)	(6,460)
Sundry income	(2,068)	7,825
	<u>1,000,935</u>	<u>1,125,858</u>
<u>Non operating revenue</u>		
Dividend / Investment Income	42,616	20,527
Interest received	71,476	62,750
Profit on sale of investments	30,340	6,661
	<u>144,432</u>	<u>89,937</u>
TOTAL REVENUE	<u>1,781,934</u>	<u>1,808,682</u>
EXPENDITURE		
Accounting	13,135	10,570
Auditing	5,600	5,200
Advertising	950	2,069
Bank charges	7,795	2,880
Board costs – meetings & travel	13,590	3,574
CANZ levy	23,090	22,440
Clubs Development program expenses	330,922	282,629
Club Network Operator expenses	28,389	-
Computer maintenance & data processing	3,521	4,055
Conferences, seminars & meetings	55,129	27,541
Consulting & other fees	80,097	29,286
Depreciation	20,835	22,663
Donations	240	1,213
Electricity	10,141	7,714
General expenses	13,342	7,270
Industrial relations	3,360	20,433
Insurance	19,752	20,698
Interest paid	1,908	2,768
Internet & website	6,656	8,286
Lakes Sports & Commission Expenses	2,310	-
Lease expenses	9,625	9,661
Legal action	26,195	-
Loss on sale of fixed assets	3,983	-
Photocopying	2,478	2,197
Postage	16,840	17,454
Printing & stationery	30,997	24,528
Provision for employee entitlements	40,430	(13,379)
Reimbursement of President's expenses	35,000	25,000
Remuneration – employees	581,910	594,903
Rent & occupancy costs	105,436	99,219
Secretariat fees	59,042	52,836
Sponsorship	5,000	10,000
Subscriptions & publications	12,259	14,907
Telephone	32,469	32,062
Training	2,746	1,878
Travelling	27,821	45,771
TOTAL EXPENDITURE	<u>1,632,993</u>	<u>1,398,327</u>
<u>SURPLUS FROM ORDINARY ACTIVITIES</u>	<u>148,941</u>	<u>410,354</u>

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2008

	<u>Note</u>	<u>2008</u> \$	<u>2007</u> \$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Receipts from members		378,221	435,318
Receipts from commercial and other activities		1,158,786	1,046,913
Payments to suppliers and other contract services		(1,543,537)	(1,048,183)
Interest received		71,476	62,750
Net cash provided by operating activities	14	<u>64,946</u>	<u>496,798</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from sale of fixed assets		10,455	-
Proceeds from sale of investments		144,754	-
Purchase of Fixed assets		(11,096)	(26,128)
Purchase of Assets held for resale		(418,793)	(494,011)
Net cash provided from investing activities		<u>(274,680)</u>	<u>(520,139)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Funds received from (repayment of) hire purchase liability		(27,331)	(6,446)
Net cash provided from financing activities		<u>(27,331)</u>	<u>(6,446)</u>
Net increase/(decrease) in cash held		(237,065)	(29,787)
Cash at beginning of year		1,070,345	1,100,132
Cash at end of year		<u>833,280</u>	<u>1,070,345</u>



ABN 51 979 013 143

NOTES TO AND FORMING PART OF THE ACCOUNTS AS AT 30 JUNE 2008

Note 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporations Act Vic 1981.

The financial report covers Clubs Victoria Inc. as an individual entity. Clubs Victoria Inc. is an association incorporated in Victoria under the Associations Incorporations Act Vic 1981.

The financial report of Clubs Victoria Inc. as an individual entity complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

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.

Basis of preparation

The accounting policies set out below have been consistently applied to all years presented. The Association has however elected to adopt the exemptions available under AASB 1 relating to AASB 132: Financial Instruments: Disclosure and Presentation, and AASB 139: Financial Instruments: Recognition and Measurement.

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 Association is exempt from income tax under Section 50-15 of the Income Tax Assessment Act.

b) Property, Plant & Equipment

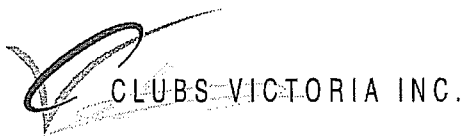
Each class of property, plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

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.

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 Association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.



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NOTES TO AND FORMING PART OF THE ACCOUNTS AS AT 30 JUNE 2008

Note 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over the useful lives of the assets 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
Leasehold Improvements	2.5%
Office equipment	20%
Computer equipment	30%
Motor vehicles	20%

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

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

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

c) 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 association, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amount equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

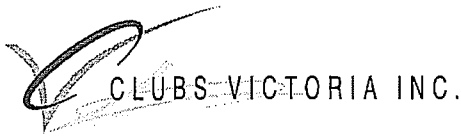
Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the association will obtain ownership of the asset or over the term of the lease.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

d) Impairment of Assets

At each reporting date, the Association reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Association estimates the recoverable amount of the cash-generating unit to which the asset belongs.



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NOTES TO AND FORMING PART OF THE ACCOUNTS AS AT 30 JUNE 2008

Note 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Employee Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits 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.

f) 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 borrowings in current liabilities in the balance sheet.

g) Revenue

Revenue from Membership fees is recognised in the period in which it relates to. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. All revenue is stated net of the amount of goods and services tax (GST).

h) 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 an item of the expense.

Receivable and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

i) Comparative Figures

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

j) 272 Information to be provided to members or Registrar

(1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) A reporting unit must comply with an application made under subsection (1).

k) Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

NOTES TO AND FORMING PART OF THE ACCOUNTS AS AT 30 JUNE 2008

	<u>2008</u>	<u>2007</u>
	\$	\$
NOTE 2 CASH AND CASH EQUIVALENTS		
Petty cash float	400	400
Cash at bank - General a/c	122,669	46,494
Cash at bank - Clubs 4 Kids	6	4
Westpac term deposit	25,193	23,773
Macquarie CMT account	93,950	28,260
Sandhurst term deposit	591,062	971,414
	833,280	1,070,345

NOTE 3 TRADE AND OTHER RECEIVABLES

Trade debtors	77,326	27,075
Sundry debtors	8,036	-
	85,362	27,075

NOTE 4 FINANCIAL ASSETS

Investments in listed Companies / Trusts - at fair value	560,030	576,228
	560,030	576,228

NOTE 5 PROPERTY, PLANT AND EQUIPMENT

<u>Office equipment</u>			
At cost	115,930	104,834	
Accumulated depreciation	(84,773)	(68,959)	
<u>Motor vehicles</u>			
At cost	-	29,120	
Accumulated depreciation	-	(9,749)	
<u>Leasehold improvements</u>			
At cost	3,532	3,532	
Accumulated depreciation	(140)	(52)	
Total Property, plant and equipment	34,549	58,726	

Movements in carrying amounts

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

	Leasehold Improvements	Office equipment	Motor vehicles	Total
	\$	\$	\$	\$
Balance at the beginning of year	3,480	35,875	19,371	58,726
Additions	-	11,096	-	11,096
Disposals	-	-	(14,438)	(14,438)
Depreciation expense	(88)	(15,814)	(4,933)	(20,835)
Carrying amount at the end of year	3,392	31,157	-	34,549

NOTES TO AND FORMING PART OF THE ACCOUNTS AS AT 30 JUNE 2008

	<u>2008</u>	<u>2007</u>
	\$	\$
NOTE 6 TRADE AND OTHER PAYABLE (CURRENT)		
Creditors and accrued expenses	54,649	59,455
Prepaid subscriptions - members	98,942	172,779
Prepaid - Minimum Entitlement	70,000	-
Prepaid - President's Night	(1,808)	-
Prepaid subscriptions - affiliates	784	940
Prepaid corporate memberships	30,155	25,034
Prepaid gaming code income	65,000	65,000
Prepaid CDU	-	100,000
Prepaid Age Tour	44,818	-
Net GST payable	-	1,854
	<u>362,540</u>	<u>425,062</u>
NOTE 7 PROVISIONS		
(a) Current		
Provision for annual leave	80,402	49,992
Provision for long service leave	20,611	-
	<u>101,013</u>	<u>49,992</u>
(b) Non-Current		
Provision for long service leave	33,500	44,091
	<u>33,500</u>	<u>44,091</u>
NOTE 8 BORROWINGS		
(a) Current		
Hire purchase liability	-	6,446
	<u>-</u>	<u>6,446</u>
(b) Non-Current		
Hire purchase liability	-	18,980
	<u>-</u>	<u>18,980</u>
NOTE 9 AVAILABLE FOR SALE ASSETS RESERVE		
Opening Balance	82,218	0
Decrease in fair value of Available for Sale Assets	(320,577)	82,218
Closing Balance	<u>(238,359)</u>	<u>82,218</u>
NOTE 10 CAPITAL AND LEASING COMMITMENTS		
Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable - minimum lease payments		
- not later than 12 months	111,981	101,800
- between 12 months and 5 years	-	-
- greater than 5 years	-	-
	<u>111,981</u>	<u>101,800</u>

The lease payments are to Vincent Corp Pty Ltd for rent payments for Level 2, 19-21 Argyle Place South.

NOTES TO AND FORMING PART OF THE ACCOUNTS AS AT 30 JUNE 2008

NOTE 11 FINANCIAL INSTRUMENTS

The Association's activities result in certain financial risks associated with its financial instruments. The Association's management seeks to mitigate those risks and reduce volatility on the Association's financial performance.

(a) Interest Rate Risk

The Association's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Non Interest Bearing		Floating Interest Rate		Fixed Interest Rate Maturity				TOTAL	
	2008	2007	2008	2007	2008	2007	Within 1 year		1 to 5 years		2008	2007
	%	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets												
Cash	6.5	6.1	400	400	216,625	74,758	-	-	-	-	217,025	75,158
Short Term Deposits	7.6	6.3	-	-	-	-	616,255	995,187	-	-	616,255	995,187
Trade Debtors			85,362	27,075	-	-	-	-	-	-	85,362	27,075
Investments			560,030	576,228	-	-	-	-	-	-	560,030	576,228
Total Financial Assets			645,792	603,703	216,625	74,758	616,255	995,187	-	-	1,478,672	1,673,648
Financial Liabilities												
Trade & Other Payables			362,540	425,062	-	-	-	-	-	-	362,540	425,062
Borrowings			-	-	-	-	-	6,446	-	18,980	-	25,426
Total Financial Liabilities			362,540	425,062	-	-	-	6,446	-	18,980	362,540	450,488

Trade and Other Payables expected to be paid as follows -

	2008	2007
	\$	\$
Less than 6 months	54,049	59,455

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the Balance Sheet and Notes to the Financial Statements.

The Association does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Association.

(c) A92 Net Fair Values

Methods and assumptions used in determining net fair value

The net fair value of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial asset and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the economic entity intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Balance Sheet and in the notes to the Financial Statements.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date

	2008		2007	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	\$	\$	\$	\$
Financial Assets				
Available-for-sale financial assets at fair value	560,030	560,030	576,228	576,228
	<u>560,030</u>	<u>560,030</u>	<u>576,228</u>	<u>576,228</u>

(d) Other Risk Disclosures

In accordance with Accounting Standard AASB 7 the directors consider that due to the nature and size of the Association's financial instruments, that there is no material liquidity or market sensitivity risks to be disclosed.

NOTES TO AND FORMING PART OF THE ACCOUNTS AS AT 30 JUNE 2008

NOTE 12 COMMITTEE MEMBERS BENEFITS

During or since the financial year the Association has paid premiums to insure all directors and officers of the Association against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of directors or officers of the Association, other than conduct involving a willful breach of duty in relation to the Association.

During the year Clubs Victoria Inc. paid \$90,720 (plus GST) to Sportgard Pty Ltd for consulting services. Sportgard is a company associated with Leon Wiegard. This is in addition to the reimbursable President's allowance of \$35,000 & car payments of \$9,666 (plus GST) paid to the same company.

During the year Clubs Victoria Inc. paid \$35,673 (plus GST) to Walker & Co for consulting work as Co-ordinating judge for Awards and Project Manager for government projects. Walker & Co is associated with Johnnie Walker.

During the year Clubs Victoria Inc. paid \$111,995 (plus GST) to Vincent Corp Pty Ltd for rent payments for Level 2, 19-21 Argyle Place South. Vincent Corp Pty Ltd is associated with the Clubs Victoria Councillor Vince Juliano.

NOTE 13 AUDITOR'S REMUNERATION

Remuneration of the auditor for:

- auditing or reviewing the financial report	5,600	5,200
- other services	900	900
	<u>6,500</u>	<u>6,100</u>

NOTE 14 CASH FLOW INFORMATION

Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax

<u>Net Operating Profit</u>	148,941	410,354
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Cash flows excluded from profit attributable to operating activities

Non-cash flows in profit

- depreciation	20,835	22,663
- Hire purchase interest	1,908	2,768
- net loss on disposal of property, plant and equipment	3,983	-
- movements in employee benefits provisions	40,430	(13,379)
- Profit on sale of investments	(30,340)	-
	<u>36,816</u>	<u>12,052</u>

Change in net liabilities/assets:

- (Increase) / decrease in trade and other receivables	(58,289)	77,889
- (Increase) / decrease in other current assets	-	4,200
- Increase / (decrease) in trade and other payables	(62,522)	(7,697)

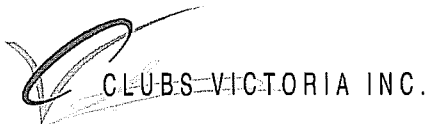
<u>Net cash provided by operating activities</u>	<u>64,946</u>	<u>496,798</u>
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NOTE 15 KEY MANAGEMENT PERSONNEL COMPENSATION

	Short-term Benefits					Post Employment Benefit	Total
	Salary & Fees \$	Super Contribution \$	Bonus \$	Non-Cash Benefits \$	Other \$	Long-term Benefits \$	
2008 Financial Year	173,797	18,750	-	134,678	125,720	-	452,945
2007 Financial Year	127,694	18,750	-	135,606	71,182	-	353,232

NOTE 16 LEGAL DISPUTES

Clubs Victoria Inc. has taken legal action against Sportgard Pty Ltd, Leon Wiegard and CCAV Inc. for breach of contract, breach of fiduciary duties and account of profits. This may involve Clubs Victoria Inc. paying legal costs in the coming year.



ABN 51 979 013 143

COMMITTEE'S OPERATING REPORT

Your committee members submit the financial report of Clubs Victoria Inc. for the year ended 30th June 2008.

COMMITTEE MEMBERS

<u>Position</u>	<u>Name</u>	<u>Elected</u>	<u>Term Expires</u>
President	Mr Johnnie Walker	2007	2010
Vice President Metropolitan	Mr Ian Carlile	2006	2009
Vice President Country (Area 6)	Mr Neville Whitley	2006	2009
Treasurer	Ms Barbara Kelly	2006	2009
Country (Area 5)	Mr Rodney Beckwith	2008	Casual
Country (Area 1)	Mr Brendan Bell	2007	2010
Metropolitan	Mr Peter Craig	2008	2011
Mr Leon Wiegard	(Resigned 03/06/2008)		
Mr David Hassett	(Resigned 05/06/2008)		
Mr Bryan Hiscock	(Resigned 19/05/2008)		
Mr Jim McGrath	(Resigned 04/06/2008)		
Mr Stan Bracchi	(Retired 03/06/2008)		

COMMITTEE MEMBERS

<u>Position</u>	<u>Name</u>	<u>Elected</u>	<u>Term Expires</u>
Metropolitan	Mr Ron Eggleton	2008	Casual
Metropolitan	Mr David Haggett	2008	Casual
Country (Area 4)	Mr Jess Feather	2008	2011
Metropolitan	Mr Vince Juliano	2008	Casual
Metropolitan	Mr Johan Reeder	2007	2010
Country (Area 2)	Mr Rick Scott	2008	2011
Country (Area 3)	Mr Michael Sweeney	2006	2009

PRINCIPAL ACTIVITIES

The principal activities of the association were:

- to provide industrial relations, human resources, financial & general compliance support to members
- to provide facilities to members of the association

OPERATING RESULTS

The surplus from ordinary activities amounted to \$148,941

The organisation has received certain grant monies to promote and assist members.

There have been no other significant changes.

A member may resign in accordance with Rule 10 of the organisation by giving written notice to the Executive Director.

No member or officer of the organisation is a trustee or a director of a trustee of a superannuation entity or an exempt public sector superannuation scheme where the criterion for that office is membership or office holder of this organisation.

The number of members recorded as at the end of the financial year for Section 230 of the RAO schedule is 342.

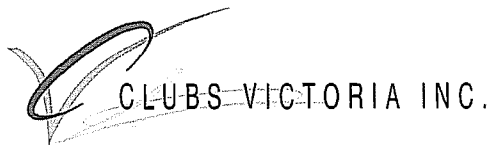
The number of full-time or full-time equivalent employees at the end of the financial year is 9.8.

Signed in accordance with a resolution of the Members of the Committee.

JOHNNIE WALKER

IAN CARLILE

Dated 27.8.08



ABN 51 979 013 143


COMMITTEE OF MANAGEMENT STATEMENT

On 12 August 2008 at a meeting of the Committee of Management of Clubs Victoria Inc. the Financial Report was tabled, which included the following resolutions and it was resolved to accept the Financial Report including the following resolutions in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2008:

The Committee of Management declares in relation to the GPFR that in its opinion:

- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - (vi) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

For Committee of Management:


JOHNNIE WALKER


IAN CARLILE

Dated 27. 8. 08



ABN 51 979 013 143

Independent Auditor's Report to the Members of Clubs Victoria Inc.

Scope

The financial report and committee's responsibility

The financial report comprises the balance sheet, statement of changes in equity, income statement, statement of cash flows, accompanying notes to the financial statements, and the statements by members of the committee for Clubs Victoria Inc., for the year ended 30 June 2008.

The committee of the association is responsible for the preparation and true and fair presentation of the financial report in accordance with the Associations Incorporations Act 1981 Victoria. This includes the responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We conducted an independent audit in order to express an opinion to the members of the association. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Associations Incorporations Act 1981 Victoria, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the association's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance over internal controls

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

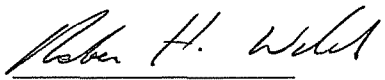
In our opinion:

- a. the financial report of the Clubs Victoria Inc. is in accordance with sections 253 and 270 of the Workplace Relations Act 1996, as amended, to;
 - i. give a true and fair view of the Association's financial position as at 30 June 2008 and of its performance for the year ended on that date as represented by the results of their operations and their cash flows; and
 - ii. comply with applicable Accounting Standards and other mandatory professional reporting requirements and statutory requirements in Australia; and
- b. the Association kept satisfactory accounting records for the year ended 30 June 2008, which detailed the sources and nature of the income of the Association (including income from members) and the nature and purposes of expenditure; and
- c. all information and explanations that are required under schedule 1(b) of the Workplace Relations Act 1996 have been provided.

Name of Firm


Bell Duke & Co

Name of Partner


Robert H Wald (Reg No 10418)

Date

27.08.08

Address

Level 7, 468 St Kilda Road, Melbourne, VIC 3004



Australian Government
Australian Industrial Registry

Level 5 11 Exhibition Street
Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7929
Fax: (03) 9655 0410
Email: eve.anderson@airc.gov.au

Johnnie Walker
President
Clubs Victoria Inc.
PO Box 363
Carlton South, Victoria, 3053

cc: Robert H Wald
Bell Duke & Co
Level 7, 468 St Kilda Road
Melbourne Victoria 3004

Dear Mr Walker

**Re: Schedule 1 of the Workplace Relations Act 1996 (the RAO Schedule)
Financial reports for the year ended 30 June 2008 – FR 2008/374**

I acknowledge receipt of the financial report of Clubs Victoria Inc. for the year ended 30 June 2008. The documents were lodged in the Industrial Registry on 24 September 2008.

I have examined the financial report. Following that examination I have identified a number of matters, the details of which are set out below, that I require you to attend to before the report could be filed.

Auditor's Report: Scope and Approach

Note 1 of the **Notes To and Forming Part of the Accounts** states, in part, that the financial report has been prepared in accordance with "...Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board *and the requirements of the Associations Incorporations Act Vic 1981(my italics)*. Similar references to that Act are made in the Auditor's Report in the 'Scope' and 'Audit Approach' sections of the Auditor's report. However, for the purposes of compliance with the reporting requirements in Schedule 1 (the RAO Schedule) of the *Workplace Relations Act 1996* the relevant references should be to the Workplace Relations Act 1996. The reporting unit is a registered organisation under that Act and the documents lodged with the Registry is presumably lodged in satisfaction of its obligations in the RAO Schedule and the documentation should reflect that. Of course, it maybe that the report has also been prepared in accordance with requirements of the Associations Incorporation Act 1981.

Auditor's Opinion

The Auditor's Opinion contains references to Schedule 1B of the *Workplace Relations Act 1996* which has been superseded by Schedule 1 (the RAO Schedule). Such references should now be to Schedule 1 or the RAO Schedule. Also, section 270 of the RAO Schedule does not apply to Clubs Victoria Inc. and therefore is not pertinent to the opinion of the auditor.

The term "true and fair view" was used in the superseded legislation. Subsection 257(5) of the RAO Schedule sets out the matters upon which an auditor is required to make an opinion on whether the general purpose financial report is presented fairly in accordance with Australian Accounting Standards and other requirements of the RAO Schedule. The following wording in the auditor's opinion would satisfy the requirements:

"In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the RAO Schedule of the Workplace Relations Act 1996".

Auditor's Qualifications

The Auditor's Report should provide details of the Auditor's qualifications, confirming that he or she is an 'approved auditor' under s256 of the RAO Schedule and Regulation 4 of the RAO Regulations. Regulation 4 defines an approved auditor as a person who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accountants and holds a current Public Practice Certificate. It is the Registry's preference this is stated on the face of the Report.

Note 9: Available for Sale Assets Reserve

Note 9 to the financial report states that there was a "Decrease in the fair value for Sale Assets" (320,557). I would be pleased if you could provide an explanation of the nature of this item and the apparent decrease disclosed.

Notification to Auditor

Please bring these details to your auditor's attention to ensure that the Auditor's report is amended to satisfy the requirements of the RAO Schedule. A copy of this letter will also be forwarded to your auditor.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I can be contacted on 03 08661 7929 or by email at eve.anderson@airc.gov.au.

Yours sincerely,



Eve Anderson

Statutory Services Branch
Australian Industrial Registry

16 October 2008

Received 28/10/08.



Level 7, 468 St Kilda Road
Melbourne Victoria 3004

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St Kilda Road 8004

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PRIVATE & CONFIDENTIAL

The Manager Statutory Services Branch
Australian Industrial Registry
GPO Box 1994
Melbourne VIC 3001

24 October 2008
TAM:TAM

Dear Sir/Madam

Clubs Victoria Amended 2008 Auditors Report

Please find enclosed an amended auditors report for the 2008 financial statements of Clubs Victoria Inc. As outlined in the letter from your office dated 16 October 2008, the following amendments have been made:

- Auditor's scope now includes reference to the Workplace Relations Act 1996.
- Audit approach now includes reference to the Workplace Relations Act 1996.
- Audit opinion has been replaced with, "In our opinion the general purpose financial report is presented fairly in accordance with the applicable Australian Accounting Standards and the requirements imposed by Part 3 of chapter 8 of the Workplace Relations Act 1996."
- Audit opinion reference "schedule 1(b) of the Workplace Relations Act 1996" has now been replaced with "RAO schedule of the Workplace Relations Act 1996".

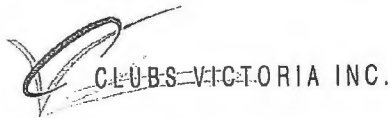
If you have any queries regarding please contact me 9832 8444.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Rob H Wald".

Robert H Wald

Encl.



ABN 51 979 013 143

Independent Auditor's Report to the Members of Clubs Victoria Inc.

Scope

The financial report and committee's responsibility

The financial report comprises the balance sheet, statement of changes in equity, income statement, statement of cash flows, accompanying notes to the financial statements, and the statements by members of the committee for Clubs Victoria Inc., for the year ended 30 June 2008.

The committee of the association is responsible for the preparation and true and fair presentation of the financial report in accordance with the Associations Incorporations Act 1981 Victoria and the Workplace Relations Act 1996. This includes the responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We conducted an independent audit in order to express an opinion to the members of the association. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Associations Incorporations Act 1981 Victoria and the Workplace Relations Act 1996, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the association's financial position, and of its performance as represented by the results of its operations and cash flows.

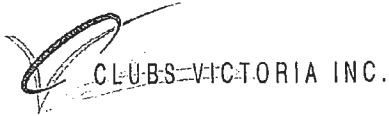
We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report,
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance over internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.



ABN 51 979 013 143

Independent Auditor's Report to the Members of Clubs Victoria Inc.

Audit Opinion

In our opinion the general purpose financial report is presented fairly in accordance with the applicable Australian Accounting Standards and the requirements imposed by Part 3 of chapter 8 of the Workplace Relations Act 1996.


- a. give a true and fair view of the Association's financial position as at 30 June 2008 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- b. the association kept satisfactory accounting records for the year ended 30 June 2008, which detailed the sources and nature of the income of the association (including income from members) and the nature and purpose of expenditure;
- c. all information and explanations that are required by the RAO schedule of the Workplace Relations Act 1996 have been provided by officers and employees of the association.

Name of firm:



Bell Partners
Chartered Accountants

Name of Partner:



Robert H Wald (F.C.A)
Registered Company Auditor No 10418

Date:

24-10-08

Address:

Level 7, 468 St Kilda Road, Melbourne, VIC 3004

7 November 2008

Australian Industrial Registry
Level 5, 11 Exhibition Street
MELBOURNE Vic 3000

Attn: Ms Eve Anderson
Statutory Services Branch

Dear Ms Anderson

RE: CLUBS VICTORIA INC
Financial Reports for the year ending 30 June 2008
Ref: FR2008/374

Note 9: Available for Sale Assets Reserve

I, Johnnie Walker, President of Clubs Victoria Inc., certify that the decrease in the fair value for Sale Assets was due to the Share Portfolio being devalued in line with the world meltdown.

If there are any questions regarding the above, please do not hesitate to contact the undersigned or Annie Cummings by telephone on 9349 2909 or email 'acummings@clubsvic.org'

Yours faithfully,



JOHNNIE WALKER
President