



FAIR WORK
AUSTRALIA

16 February 2010

Mr Johnnie Walker
President
Clubs Victoria Inc
PO Box 363
Carlton South VIC 3053
By Email: admin@clubsvic.org

cc: Annie Cummings
Executive Assistant & Accounts
Clubs Victoria Inc
PO Box 363
Carlton South VIC 3053
By email: acummings@clubsvic.org

Dear Mr Walker

Re Financial Report of Clubs Victoria for the year ended 30 June 2009 (FR2009/306)

I acknowledge receipt of the financial report of the Clubs Victoria Inc for the year ended 30 June 2009. The documents were lodged with Fair Work Australia on 24 September 2009 and amended documents were lodged on 12 February 2010.

The financial report has now been filed.

I have attached an addendum for your consideration in which I make comments to assist you when you next prepare a financial report. If you have any queries I can be contacted on 03 86617929 or by email on eve.anderson@fwa.gov.au.

Yours sincerely

Eve Anderson
Tribunal Services and Organisations
Fair Work Australia
Tel: 03 86617929

Email: eve.anderson@fwa.gov.au

Addendum to the Financial Reports for Clubs Victoria Inc for the year ended 30 June 2009 (FR2009/306)

The following comments are made to assist you when you next prepare a financial report.

1. Operating report: results of principal activities

[Paragraph 254\(2\)\(a\)](#) of the *Fair Work (Registered Organisations) Act 2009* [the RO Act] requires the operating report to contain a review of the organisation's principal activities during the year, the results of those activities and any significant changes in the nature of those activities during the year. The Operating Report lodged with Fair Work Australia (FWA) contains a review of the activities and states that there were no significant changes to those activities. However it does not include a description of the results of those activities. Although the Operating Report contains a financial operating result, it is the view of FWA that section 254 requires a *description* of the results of providing industrial and other services to members.

2. Notes: relevant legislation

Note 1(a) to the financial statements explains that the report has been prepared in accordance with the requirements of the Associations Incorporations Act (Vic). The notes should also state whether the report has been prepared in accordance with the *Fair Work (Registered Organisations) Act 2009* as Clubs Victoria Inc is registered under this Act.

3. Notes: policy re recognition of revenue

I cannot locate a note that explains the policy regarding the recognition of revenue, as required under paragraph 35(a) of [Australian Accounting Standard 118](#). In future please ensure the policy regarding recognition of revenue is explicitly stated in the notes to the financial statements.

4. Notes: notice required by section 272

The Operating Report lodged with FWA sets out subsections 272 (1), (2) and (3) of the RO Act. However item 8 of the [Reporting Guidelines](#) specifies that these should be disclosed in the *notes* to the financial statements. In future years please ensure these subsections are included in the notes and not the operating report.

5. Disclosures: members fees and levies

Note 2 to the financial statements discloses an item of revenue entitled 'Members Fees and Levies'. Item 10(d) of the [Reporting Guidelines](#) requires that levies raised from members compulsorily or as appeals for voluntary contributions be separately disclosed from other items. In future years please ensure that any levies are separately disclosed from members fees. Also item 10(d) of the reporting guidelines requires the disclosure of the amounts for each levy and a brief description of the purpose of the each levy. In future years please provide a brief description of the purpose of each levy. Also, the difference between member subscriptions and members fees is unclear. Perhaps the distinction could be explained in the notes.

6. Disclosures: expenses: levies, fees and subscriptions

Note 5 to the financial statements discloses an item of expense entitled 'Levies, Fees and Subscriptions'. Item 11 of the [Reporting Guidelines](#) requires separate disclosure of levies from fees and subscriptions. In particular, item 11(d) requires the separate disclosure of fees and subscriptions for affiliations to any political party, any federation, congress, council or group of organisations, or any international body having an interest matters. Also, item 11(e) requires the separate disclosure of compulsory levies imposed on the organisation and for each levy the amount, the purpose and the name of the organisation imposing the levy. In future years please separate disclosure of fees/subscriptions and levies imposed on the organisation. Please also ensure the amount, the purpose and the name of the organisation imposing the levy are disclosed.

7. Disclosures: salaries and benefits for employees and office holders

The [Reporting Guidelines](#) require the separate disclosure, either in the income statement or in the notes, of employee benefits to holders of office (item 11(g)) and employee benefits to other employees (item 11(h)). Note 3 does not distinguish between employee benefits for office holders and other employees. In future years please ensure they are separately disclosed.

The Reporting Guidelines also require that either the balance sheet or the notes separately disclose any liability for employee benefits in respect of office holders and other employees (items 14(c) and 14 (d)). Note 11 separately discloses these liabilities but does not distinguish between provisions for office holders and other employees. In future years please ensure they are separately disclosed.

15 February 2010

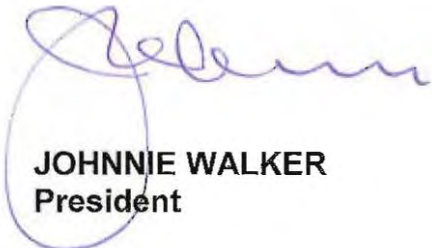
Ms Eve Anderson
Tribunal Services and Organisations
Fair Work Australia
GPO Box 1994
MELBOURNE Vic 3001

Dear Ms Anderson

I, Johnnie Walker, being the President of Clubs Victoria Inc certify:

- that the documents lodged herewith are copies of the full report, referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members on 15 January 2010; and
- that the full report was presented to a Special General Meeting of members of Clubs Victoria Inc on 9 February 2010 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Yours faithfully
CLUBS VICTORIA INC.



JOHNNIE WALKER
President

10 February 2010

Ms Eve Anderson
Tribunal Services and Organisations
Fair Work Australia
GPO Box 1994
MELBOURNE VIC 3001

Re: Clubs Victoria Inc. Financial Reports for the year ended 30 June 2009: FR2009/36

Dear Ms Anderson,

I refer to your letter dated 27 October 2009 alerting Clubs Victoria Inc. (the Association) to the fact that Section 254 of the *Fair Work (Registered Organisations) Act 2009* [the RO Act], Regulation 159 of the *Fair Work (Registered Organisations) Regulations 2009* [the RO Regulations] and Reporting Guidelines had not been complied with in respect of the provision of the financial reports for the year ending 30 June 2009 to members. Please accept my apologies for the belated response to your letter.


In order to remedy the situation, the Association acted on your advice and called a Special General Meeting of members which was held on 9 February 2010 at which the reissued financial reports for the year ended 30 June 2009 were re-presented to the members.

Attached to this letter is:

1. the notice to members that was accompanied by the financial reports and posted to members at least 21 days before the meeting; and
2. reissued Financial Report for the year ended 30 June 2009.

I thank you for bringing this matter to my attention. If you would like to discuss any of the above, please contact me on (03) 9349 2909.

Yours faithfully,



David Baldi
Acting Executive Director

15 January 2010

The President, Committee & Secretary/Manager
<<Club>>
<<Address>>
<<Suburb>> <<State>> <<PostCode>>

Dear President

Re: Special General Meeting

Due to legislative changes under the *Fair Work (Registered Organisations) Act 2009* and the associated *Fair Work (Registered Organisations) Regulations 2009* ClubsVIC has been directed to re-present its 2008/2009 financial reports to the members.

Accordingly, a Special General Meeting has been scheduled for **9:45am** on **9 February 2010** at the Veneto Club. The meeting will take place immediately prior to the scheduled Club Business: Now, 2012 & Beyond session.

Please find **enclosed** copies of the following:

1. Notice and proxy form of Special General Meeting;
2. Agenda of Special General Meeting;
3. Reissued ClubsVIC financial reports for the 2008/2009 financial year.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Johnnie Walker', written over a large, circular, hand-drawn scribble.

Johnnie Walker
President



CLUBS VICTORIA INC.

Reissued

Financial Report

for the Year Ended

30 June 2009

CLUBS VICTORIA INC.

COMMITTEE OF MANAGEMENT STATEMENT

On 24 August 2009 the Committee of Management of Clubs Victoria Inc. passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2009.

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 General Manager of Fair Work Australia;
- (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 Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) the information sought in any request of a member of the reporting unit or the General Manager of Fair Work Australia duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or General Manager; and
 - (vi) there has been compliance with any order for inspection of financial records made by Fair Work Australia under section 273 of the Fair Work Act (Registered Organisations) Act 2009.

For Committee of Management



President - Johnnie Walker



Vice President (Metropolitan) - Neville Whitley
COU 727

Dated this 30th day of November 2009.

CLUBS VICTORIA INC.
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	<i>Note</i>	2009	2008
		\$	\$
Revenue from Operating Income	(2)	1,121,367	1,637,502
Revenue from Non-Operating Income	(2)	153,708	144,432
Employee Benefits	(3)	(918,578)	(806,229)
Operational Expenses	(5)	(550,831)	(804,021)
Depreciation Expenses	(4)	(11,270)	(20,835)
Finance Costs		-	(1,908)
SURPLUS (DEFICIT) before IMPAIRMENT LOSS		(205,604)	148,941
Impairment Loss		(363,060)	-
SURPLUS (DEFICIT) after IMPAIRMENT LOSS		(568,664)	148,941

The above Statement should be read in conjunction with the Notes to the Accounts.

CLUBS VICTORIA INC.
BALANCE SHEET
FOR THE YEAR ENDED 30 JUNE 2009

	<i>Note</i>	2009 \$	2008 \$
<i>CURRENT ASSETS</i>			
Cash & Cash Equivalents	(7)	511,174	833,280
Trade & Other Receivables		46,230	85,362
Other Assets		100,000	
Prepayments		13,195	-
Other Financial Assets	(8)	26,108	-
		<hr/>	<hr/>
<i>TOTAL CURRENT ASSETS</i>		696,707	918,642
		<hr/>	<hr/>
<i>NON-CURRENT ASSETS</i>			
Other Financial Assets	(8)	377,622	560,030
Property, Plant and Equipment	(9)	26,115	34,549
		<hr/>	<hr/>
<i>TOTAL NON-CURRENT ASSETS</i>		403,737	594,579
		<hr/>	<hr/>
<i>TOTAL ASSETS</i>		1,100,444	1,513,221
		<hr/>	<hr/>
<i>CURRENT LIABILITIES</i>			
Trade & Other Payables	(10)	250,088	362,540
Provisions	(11)	160,137	101,013
		<hr/>	<hr/>
<i>TOTAL CURRENT LIABILITIES</i>		410,225	463,553
		<hr/>	<hr/>
<i>NON CURRENT LIABILITIES</i>			
Provisions	(11)	16,829	33,500
		<hr/>	<hr/>
<i>TOTAL NON CURRENT LIABILITIES</i>		16,829	33,500
		<hr/>	<hr/>
<i>TOTAL LIABILITIES</i>		427,054	497,053
		<hr/>	<hr/>
<i>NET ASSETS</i>		673,390	1,016,168
		<hr/> <hr/>	<hr/> <hr/>
<i>EQUITY</i>			
Accumulated Surplus	(12B)	685,863	1,254,527
Financial Asset Available for Sale Revaluation Reserve	(12A)	(12,473)	(238,359)
		<hr/>	<hr/>
<i>TOTAL EQUITY</i>	(12C)	673,390	1,016,168
		<hr/> <hr/>	<hr/> <hr/>
Contingent Liabilities and Contingent Assets	(14)		
Commitments for Expenditure	(15)		

The above Statement should be read in conjunction with the Notes to the Accounts

CLUBS VICTORIA INC.
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009

	<i>Note</i>	2009	2008
		\$	\$
Total Equity at beginning of financial year		1,016,168	1,187,804
Available-for-Sale Investments Reserve			
Gain/(Loss) taken to Equity		(137,174)	(320,577)
Impairment Loss Transferred to profit or loss		363,060	-
<i>ITEMS RECOGNISED DIRECTLY IN EQUITY</i>		<u>225,886</u>	<u>(320,577)</u>
Surplus (Deficit) for the year		<u>(568,664)</u>	<u>148,941</u>
<i>TOTAL RECOGNISED INCOME AND EXPENSES FOR THE YEAR</i>		<u>(342,778)</u>	<u>(171,636)</u>
Total Equity at end of financial year		<u>673,390</u>	<u>1,016,168</u>

The above Statement should be read in conjunction with the Notes to the Accounts

CLUBS VICTORIA INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2009

	<i>Note</i>	<i>2009</i>	<i>2008</i>
		\$	\$
<i>CASH FLOW FROM OPERATING ACTIVITIES</i>			
Receipts From Members		1,220,485	1,718,376
Interest Received		47,519	71,476
Dividends Received		35,661	42,616
Other Income		30,000	-
Payments to Employees		(888,121)	(765,799)
Payments to Suppliers and other contract services		(665,324)	(918,725)
Net GST paid to ATO		(59,633)	(82,998)
<i>NET CASH FLOW FROM OPERATING ACTIVITIES</i>	(18)	(279,413)	64,946
<i>CASH FLOW FROM INVESTING ACTIVITIES</i>			
Payment for property, plant and equipment		(2,836)	(11,096)
Purchase of Investments		(82,293)	(418,793)
Proceeds from sale of property, plant & equipment		-	10,455
Proceeds from sale of Investments		42,436	144,754
<i>NET CASH FLOW FROM INVESTING ACTIVITIES</i>		(42,693)	(274,680)
<i>CASH FLOW FROM FINANCING ACTIVITIES</i>			
Proceeds from (Repayment of) Borrowings		-	(27,331)
<i>NET CASH FLOW FROM FINANCING ACTIVITIES</i>		-	(27,331)
<i>NET INCREASE/(DECREASE) IN CASH HELD</i>		(322,106)	(237,065)
<i>CASH AT BEGINNING OF THE FINANCIAL YEAR</i>		833,280	1,070,345
<i>CASH AT END OF THE FINANCIAL YEAR</i>	(17)	511,174	833,280

The above Statement should be read in conjunction with the Notes to the Accounts.

CLUBS VICTORIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AAS's) , Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporations Act (Vic)

The entity is a not-for-profit entity and therefore applies the additional Aus paragraphs applicable to "not-for-profit" entities under the AAS's.

(b) Basis of preparation

The financial report is prepared in accordance with the historical cost convention, except for the revaluation of certain non-financial assets and financial instruments, as noted. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of AASs management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Accounting polices are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial report for the year ended 30 June 2009 and the comparative information presented in these financial statements for the year ended 30 June 2008.

(c) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, deposits at call and highly liquid investments with an original maturity of 3 months or less, which are readily convertible to known amounts of cash.

For the cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts, which are included as current borrowings in the balance sheet.

(d) Receivables

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. Collectability of debts is reviewed on an ongoing basis, and debts which are known to be uncollectible are written off. A provision for doubtful debts is raised where doubt as to collection exists. Bad debts are written off when identified.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method, less any accumulated impairment.

CLUBS VICTORIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (Continued)

(c) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Association commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as (i) the amount at which the financial asset or financial liability is measured at initial recognition (ii) less principal repayments (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss. The association has not held any financial assets at fair value through profit or loss in the current or comparative financial year.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the association's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets 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 the committee. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed determinable payments.

CLUBS VICTORIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (Continued)

(e) Financial Instruments (continued)

Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At each reporting date, the association assesses whether there is objective evidence that a financial instrument has impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(f) Property, Plant and Equipment

Plant and Equipment are measured on a cost basis less accumulated depreciation and impairment losses.

The carrying amount of plant & equipment is reviewed annually by the Committee to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values to determine recoverable amounts.

(g) Depreciation

Assets with a cost in excess of \$1,000 (2007-08 and 2008-09) are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost over their estimated useful lives using the straight-line method. Estimates of the remaining useful lives and depreciation method for all assets are reviewed at least annually. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The following table indicates the expected useful lives of non current assets on which the depreciation charges are based.

Leasehold Improvements	Up to 40 Years
Motor Vehicles	Up to 5 years
Plant & Equipment	Up to 10 years

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 recoverable amount.

CLUBS VICTORIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (Continued)

(h) Disposal on Non-Financial Assets

Any gain or loss of the sale of non-financial assets is recognised in the income statement at the date that the control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at the time.

Impairment of Non-Financial Assets

Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment (i.e. as to whether their carrying value exceeds their recoverable amount, and so require write-downs) and whenever there is an indication that the asset may be impaired. All other assets are assessed annually for indications of impairment, except for:

- inventories;
- assets arising from employee benefits;
- financial instrument assets;
- investment property that is measured at fair value;
- non-current assets held for sale.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written-off as an expense except to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that class of asset.

It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

(i) Payables

These amounts consist predominantly of liabilities for goods and services.

Payables are initially recognised at fair value, then subsequently carried at amortised cost and represent liabilities for goods and services provided to Clubs Victoria prior to the end of the financial year that are unpaid, and arise when Clubs Victoria becomes obliged to make future payments in respect of the purchase of these goods and services.

The normal credit terms are usually Nett 30 days.

(j) Provisions

Provisions are recognised when Clubs Victoria Inc. has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(k) Goods & Services Tax

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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables 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 components of investing and financing activities, which are disclosed as operating cash flows.

CLUBS VICTORIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (Continued)

(l) Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Measurement of short-term and long-term employee benefits

Short-term employee benefits are those benefits that are expected to be settled within 12 months and are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. They include wages and salaries, annual leave, long service leave and accrued days off that are expected to be settled within 12 months.

Long-term employee benefits are those benefits that are not expected to be settled within 12 months and are measured at the present value of the estimated future cash outflows to be made by the Association in respect of services provided by employees up to the reporting date. They include long service leave not expected to be settled within 12 months.

The present value of long-term employee benefits is calculated in accordance with *AASB 119 Employee Benefits*. Long-term employee benefits are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employees, departures and periods of service. Expected future payments are discounted using interest rates on national Government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash flows.

Classification of employee benefits as current and non-current liabilities

Employee benefit provisions are reported as current liabilities where the Association does not have an unconditional right to defer settlement for at least 12 months. Consequently, the current portion of the employee benefit provision can include both short-term benefits, that are measured at nominal values, and long-term benefits, that are measured at present values.

Employee benefit provisions that are reported as non-current liabilities also include long-term benefits such as non vested long service leave (i.e. where the employee does not have a present entitlement to the benefit) that do not qualify for recognition as a current liability, and are measured at present values.

Superannuation

Contributions to contribution superannuation plans are expensed when incurred.

On-Costs

Employee benefit on-costs are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

(m) 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 ownership over the term of the lease.

CLUBS VICTORIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (Continued)

(m) Leases (continued)

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(n) Income Recognition

Revenue is recognised in accordance with AASB 118 *Revenue*. Income is recognised as revenue to the extent it is earned. Unearned income at reporting date is reported as income received in advance.

Amounts disclosed as revenue are, where applicable, net of returns, allowances and duties and taxes.

Interest

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(o) Financial Asset Available-for-sale Revaluation Reserve

The available-for-sale revaluation reserve arises on the revaluation of available-for-sale financial assets. Where a revalued asset is sold that portion of the reserve which relates to that financial asset is effectively realised, and is recognised in the income statement. Where a revalued financial asset is impaired that portion of the reserve which related to that financial asset is recognised in the income statement.

(p) Income Tax

Clubs Victoria Inc. is exempt from income tax under Section 23(h) of the Income Tax Assessment Act 1936 as amended.

(q) Key Estimates

Impairment

Clubs Victoria Inc. assesses the impairment at each reporting date by evaluation of conditions and events specific to the group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(r) Key Judgements

Other Financial Assets

Clubs Victoria Inc. maintain a portfolio of securities with a carrying amount of \$377,622 at reporting date. The overall investment has declined in value recently by 25 %. The Committee believes this decline constitutes a significant or prolonged decline below cost at this stage and hence an impairment has been recognised.

(s) New Accounting Standards for application in future periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application for future reporting periods and which the association has decided not to early adopt. A discussion of those future requirements relevant to the association and their impact on the association is as follows:-

CLUBS VICTORIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (Continued)

(s) New Accounting Standards for application in future periods (continued)

- AASB 101: Presentation of Financial Statements, AASB 2007–8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007–10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefine the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the association. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.

- AASB 2008–5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) and AASB 2008–6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the association.

CLUBS VICTORIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	<i>Note</i>	2009 \$	2008 \$
<i>Note 2. REVENUE</i>			
<i>Revenue from Operating Activities</i>			
Member Subscriptions		408,179	452,058
Members Fees and Levies		327,223	184,509
Sponsorships		235,613	248,930
Other Fees and Services		84,644	194,490
Commissions Received		19,988	51,859
Club Development Program		-	412,500
Recruitment Income		45,720	77,656
Government Grants		-	15,500
Sub-Total Revenue from Operating Activities		1,121,367	1,637,502
<i>Revenue from Non-Operating Income</i>			
Investment Income		35,661	42,616
Interest Received		47,030	71,476
Profit (Loss) on Sale of Investments		(58,983)	30,340
Specific Income	2a	130,000	-
Sub-Total Revenue from Non-Operating Activities		153,708	144,432
TOTAL REVENUE		<u>1,275,075</u>	<u>1,781,934</u>
<i>Note 2a. SPECIFIC INCOME</i>			
Legal Settlement		130,000	-
TOTAL SPECIFIC INCOME		<u>130,000</u>	<u>-</u>
<i>Note 3. EMPLOYEE EXPENSES</i>			
Salaries & Wages		784,445	701,038
Superannuation		52,618	44,438
Workcover		2,908	3,164
Payroll and Fringe Benefits Tax		69,994	51,478
Staff Expenses		8,613	6,111
TOTAL EMPLOYEE EXPENSES		<u>918,578</u>	<u>806,229</u>
<i>Note 4. DEPRECIATION</i>			
Leasehold Improvements		88	88
Office Equipment		11,182	15,814
Motor Vehicles		-	4,933
TOTAL DEPRECIATION		<u>11,270</u>	<u>20,835</u>

CLUBS VICTORIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	<i>Note</i>	<i>2009</i> \$	<i>2008</i> \$
Note 5. OPERATIONAL EXPENSES			
Administration		196,206	239,524
Levies, Fees and Subscriptions		135,940	262,470
Clubs Development Program- Non Salary		1,750	181,210
Occupancy		120,470	115,577
Donations		295	240
Sponsorships		6,500	5,000
Specific Expense	(5a)	89,670	-
		<u>550,831</u>	<u>804,021</u>
Note 5a. SPECIFIC EXPENSE			
Costs associated with Litigation Settlement		89,670	-
		<u>89,670</u>	<u>-</u>
Note 6. FINANCE COSTS			
Interest - Other		-	1,908
		<u>-</u>	<u>1,908</u>
Note 7. CASH & CASH EQUIVALENTS			
Cash on Hand		400	400
Cash at Bank		42,641	122,675
Aust. Dollar Term Deposits		468,133	710,205
		<u>511,174</u>	<u>833,280</u>
Note 8. OTHER FINANCIAL ASSETS			
Current			
<i>Held to maturity Financial Asset</i>			
Aust. Dollar Term Deposits		<u>26,108</u>	<u>-</u>
Non-Current			
<i>Available-for-sale Financial Assets</i>			
Australian Listed Equity Securities at market value		<u>377,622</u>	<u>560,030</u>
TOTAL OTHER FINANCIAL ASSETS		<u>403,730</u>	<u>560,030</u>

CLUBS VICTORIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	<i>Note</i>	<i>2009</i>	<i>2008</i>
		\$	\$
<i>Note 9. PROPERTY, PLANT AND EQUIPMENT</i>			
Office Equipment		85,891	115,930
less Accumulated Depreciation		<u>(63,080)</u>	<u>(84,773)</u>
		22,811	31,157
Leasehold Improvements		3,532	3,532
less Accumulated Depreciation		<u>(228)</u>	<u>(140)</u>
		3,304	3,392
<i>TOTAL PROPERTY, PLANT, EQUIPMENT</i>		<u><u>26,115</u></u>	<u><u>34,549</u></u>

Reconciliations of the carrying amounts of each asset class at the beginning of the previous and current financial year is set out below.

CLUBS VICTORIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

9. PROPERTY, PLANT AND EQUIPMENT (continued)

RECONCILIATION OF CARRYING VALUES OF ALL ASSET CLASSES

	<i>Leasehold Improvements</i> \$	<i>Office Equipment</i> \$	<i>Motor Vehicles</i> \$	<i>Total</i> \$
Carrying Amount at 1/07/2007	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 30/06/2008	3,392	31,157	-	34,549
Additions	-	2,836	-	2,836
Disposals	-	-	-	-
Depreciation Expense	(88)	(11,182)	-	(11,270)
Carrying amount at 30/06/2009	3,304	22,811	-	26,115

CLUBS VICTORIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
Note 10. TRADE & OTHER PAYABLES		
Trade Creditors	34,457	54,649
Unearned Income	215,631	307,891
	<hr/>	<hr/>
TOTAL TRADE & OTHER PAYABLES	250,088	362,540
	<hr/> <hr/>	<hr/> <hr/>
Note 11. PROVISIONS		
Current		
Annual Leave	103,372	80,402
Long Service Leave	56,765	20,611
	<hr/>	<hr/>
	160,137	101,013
Non Current		
Long Service Leave	16,829	33,500
	<hr/>	<hr/>
TOTAL PROVISIONS	176,966	134,513
	<hr/> <hr/>	<hr/> <hr/>
Note 12. EQUITY		
(A) Reserves		
Financial Assets Available for Sale Revaluation Reserve		
Balance at the beginning of the reporting period	(238,359)	82,218
Valuation gain/(loss) recognised	(137,174)	(320,577)
Cumulative (gain)/loss transferred to Income Statement on impairment of financial assets	363,060	-
	<hr/>	<hr/>
Balance at the end of the reporting period	(12,473)	(238,359)
	<hr/> <hr/>	<hr/> <hr/>
(B) Accumulated Surpluses/(Deficits)		
Balance at the beginning of the reporting period	1,254,527	1,105,586
Surplus/(deficit) for the year	(568,664)	148,941
Balance at the end of the reporting period	685,863	1,254,527
	<hr/>	<hr/>
(C) Total Equity at end of the financial year	673,390	1,016,168
	<hr/> <hr/>	<hr/> <hr/>

CLUBS VICTORIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
Note 13. AUDITORS REMUNERATION		
Auditing and Reviewing the financial report	7,900	5,600
Other Services	1,830	900
	9,730	6,500
	9,730	6,500

Note 14. CONTINGENT LIABILITIES - CONTINGENT ASSETS

A Bank Guarantee of \$17,875 has been provided for the rental of Level 2, 19-21 Argyle Place South, Carlton South.

The Committee of Management was not aware of any other contingent asset or liability as at 30 June 2009.

Note 15. COMMITMENT FOR EXPENDITURE

Aggregate lease expenditure contracted for at balance date.

Operating Leases

Rent payments for Level 2, 19-21 Argyle Place Sth, Carlton Sth		
Not later than one year	112,309	107,990
Later than one year but not later than 2 years	116,802	112,309
Later than 2 years but not later than 5 years	183,402	300,204
Later than 5 years	-	-
Total Rent Payments	412,513	520,503
Payments for Phone System and Photocopier		
Not later than one year	19,340	-
Later than one year but not later than 2 years	18,658	-
Later than 2 years but not later than 5 years	31,055	-
Later than 5 years	-	-
Total Lease Payments	69,053	-
Total Commitments For Expenditure	481,566	520,503

Note 16. EVENTS OCCURRING AFTER BALANCE DATE

Since 30 June 2009, there have been no events that would materially effect the Financial Statements at balance date.

CLUBS VICTORIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

Note 17. RECONCILIATION OF CASH

For the purpose of the statement of cashflows, cash includes cash on hand, in banks and investments. Cash at the end of the year as shown in the Statement of Cashflows is reconciled to the related items in the Balance Sheet as follows:

	2009	2008
	\$	\$
Cash & Cash Equivalents - Note 7	511,174	833,280
	<hr/>	<hr/>
TOTAL CASH	511,174	833,280
	<hr/> <hr/>	<hr/> <hr/>

Note 18. RECONCILIATION OF NET RESULT TO CASHFLOWS FROM OPERATING ACTIVITIES

Surplus/(deficit) for the year	(568,664)	148,941
Non-Cashflows in Surplus(Deficit)		
Depreciation	11,270	20,835
Hire Purchase Interest	-	1,908
Net loss on disposal of property, plant and equipment	-	3,983
Profit/(loss) on sale of Investments	58,983	(30,340)
Impairment loss	363,060	-
Changes in assets and liabilities:		
(Increase)/decrease in Trade & Other Receivables	39,132	(58,289)
(Increase)/decrease in Prepayments	(13,195)	-
(Increase)/decrease in Other Assets	(100,000)	-
Increase/(decrease) in Trade & Other Payables	(112,452)	(62,522)
Increase/(decrease) in Employee Benefits	42,453	40,430
	<hr/>	<hr/>
NET CASH FLOWS FROM OPERATING ACTIVITIES	(279,413)	64,946
	<hr/> <hr/>	<hr/> <hr/>

CLUBS VICTORIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

Note 19: KEY MANAGEMENT PERSONNEL COMPENSATION

	2009	2008
	\$	\$
Short term benefit	519,910	446,275
Post employment benefit	42,050	28,525
Total compensation	561,960	474,800

Related party transactions

Related Parties.

	2009	2008
	\$	\$
During the year Clubs Victoria Inc. paid Walker & Co for co-ordination & implementation services for 2008 Achievement Awards including travel & accommodation. This amount is in keeping with standard business costing. Walker & Co is associated with Clubs Victoria Councillor Johnnie Walker.	15,100	35,673
During the year Clubs Victoria Inc. paid Alan Walker Holdings for reimbursable President's allowance. Alan Walker Holdings is associated with Johnnie Walker.	33,000	-
During the year Clubs Victoria Inc. paid Vincent Corp Pty Ltd for rent payments for Level 2, 19-21 Argyle Place South, Carlton South. Vincent Corp Pty Ltd is associated with the Clubs Victoria Councillor Vince Juliano.	112,677	111,981
During the year Clubs Victoria Inc. paid Ian Carlile (Clubs Victoria Councillor) for reimbursable President's allowance.	5,301	-

CLUBS VICTORIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

Note 20: FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

Clubs Victoria Inc.'s principal financial instruments comprise of deposits with banks, short term investments, and accounts receivable and payable.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset financial liability and equity instrument are disclosed in note 1 to the financial statements.

	Note	Carrying Amount 2009 \$	Carrying Amount 2008 \$
Financial Assets			
Cash and cash equivalents	7	511,174	833,280
Loans and receivables		46,230	85,362
Term Deposits	8	26,108	-
Available-for-sale Financial Assets:			
- Equity Investments	8	377,622	560,030
Total Financial Assets		961,134	1,478,672
Financial Liabilities			
At amortised cost			
Trade and Other Payables		34,457	54,649
Total Financial Liabilities		34,457	54,649

(b) Interest rate risk

The Committee does not believe that interest rate risk is significant. Therefore the association does not have any formal policy for managing such risk.

CLUBS VICTORIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

Note 20: FINANCIAL INSTRUMENTS (Continued)

(c) Liquidity Risk

Liquidity risk arises from the possibility that Clubs Victoria Inc. might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. Clubs Victoria Inc. manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities; and
- only investing surplus cash with major financial institutions.

The following table discloses the contractual maturity analysis for Clubs Victoria Inc.'s financial liabilities. For interest rates applicable to each class of liability refer to individual notes to the financial statements.

Financial liability and financial assets maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$	\$	\$
Financial Liabilities due for payment								
Trade and Other payables	34,457	54,649	-	-	-	-	34,457	54,649
Total contractual outflows	34,457	54,649	-	-	-	-	34,457	54,649
Total expected outflows	34,457	54,649	-	-	-	-	34,457	54,649
Financial assets - Cash flow realisable								
Cash and cash equivalents	511,174	833,280	-	-	-	-	511,174	833,280
Trade & Other receivables	46,230	85,362	-	-	-	-	46,230	85,362
Term Deposits	26,108	-	-	-	-	-	26,108	-
Available-for-sale investments	377,622	560,030	-	-	-	-	377,622	560,030
Total anticipated inflows	961,134	1,478,672	-	-	-	-	961,134	1,478,672
Net (outflow)/inflow on financial instruments	926,677	1,424,023	-	-	-	-	926,677	1,424,023

(d) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to Clubs Victoria Inc.

Credit risk exposures

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 impairment of those assets, disclosed in the balance sheet and notes to the financial statements.

(e) Price risk

Price risk relates to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factor for commodities.

Clubs Victoria Inc. is exposed to securities price risk on available-for-sale investments. Such risk is managed through diversification of investments across industries and geographic locations.

CLUBS VICTORIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

Note 20: FINANCIAL INSTRUMENTS (Continued)

(f) Fair Value of Financial Assets and Liabilities

The fair values of financial assets and liabilities are presented in the following table and can be compared to their carrying values as presented in the balance sheet. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Areas of judgement and the assumptions used have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded.

Net Fair Value

	Carrying Amount 2009 \$	Net Fair Value 2009 \$	Carrying Amount 2008 \$	Net Fair Value 2008 \$
Financial Assets				
Cash and cash equivalents	511,174	511,174	833,280	833,280
Trade and other receivables	46,230	46,230	85,362	85,362
Term Deposit	26,108	26,108	-	-
Investments- available-for-sale	377,622	377,622	560,030	560,030
Total Financial Assets	<u>961,134</u>	<u>961,134</u>	<u>1,478,672</u>	<u>1,478,672</u>
Financial Liabilities				
Trade & Other Payables	34,457	34,457	54,649	54,649
Total Financial Liabilities	<u>34,457</u>	<u>34,457</u>	<u>54,649</u>	<u>54,649</u>

Fair values of financial instruments are determined on the following basis:

Cash, deposit investments, cash equivalents and non-interest bearing financial assets and liabilities (trade debtors, other receivables, trade creditors and advances) are valued at cost which approximates to fair value. For listed available-for sale financial assets, closing quoted bid prices at reporting date are used.

Sensitivity analysis

The Committee considers that the only material market risk arises in relation to holdings of available-for-sale investments. Should share market prices increase/decrease by 10%, the value of investments will increase/decrease by approximately \$ 37,762 (2008: \$56,003). The impact this will have the equity and surplus of the organisation cannot be determined as it will depend on which investments are impacted by any change in value.

Interest rate risk sensitivity analysis

At 30 June 2009, the effect of profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows.

	2009 \$	2008 \$
<i>Change in profit</i>		
- Increase of 1%	5,118	8,333
- Decrease of 1%	(5,118)	(8,333)
<i>Change in equity</i>		
- Increase of 1%	5,118	8,333
- Decrease of 1%	(5,118)	(8,333)

Note 21: ASSOCIATION DETAILS

The principal place of business is:
Level 2/ 19-21 Argyle Pl South
Carlton South
VIC 3053

CLUBS VICTORIA INC.

COMMITTEE'S OPERATING REPORT

Your committee members submit the financial report of Clubs Victoria Inc. For the year ended 30th June 2009

The names of the Committee members throughout the year and at the date of this report are:

Mr Johnnie Walker	Mr Jess Feather
Ms Barbara Kelly	Mr Mark Griffiths (elected 11/06/2009)
Mr Neville Whitley	Mr David Haggett
Mr Ian Carlile	Mr Vince Juliano
Mr Brendan Bell	Mr Rick Scott
Mr Peter Craig	Mr Michael Sweeney
Mr George Csifo (elected 11/06/2009)	Mr Rodney Beckwith (retired June 2009)
Mr Ron Eggleton	Mr Johan Reeder (resigned 19/12/2008)

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

The deficit from ordinary activities amounted to \$568,664. (2008: surplus \$148,941)

A review of operations of the association during the financial year and the results of those operations found an overall decrease in revenue due to loss of Tatts & TABCORP sponsorship, and VGMI & RSG Levy.

An impairment loss was expensed to the profit and loss due to a significant or prolonged decline in the association's investments during the year.

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

The principal activities of the association during the financial year were:

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

No significant change in the nature of these activities occurred during the year.

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

Likely developments in the operations of the association and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the association.

The number of members at the end of the financial year was 308.

The number of employees at the end of the financial year measured on a full time basis was 9.8

No officeholder or member of the association acts as:

- (i) a trustee of a superannuation entity or exempt public sector superannuation scheme; or
- (ii) a director of a company that is a trustee of a superannuation entity or exempt public sector superannuation scheme.

272 Information to be provided to members or Registrar:

- (1) a member of the association or the Registrar, may apply to the association for specific prescribed information in relation to the association 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 has been given to the association.
- (3) the association must comply with an application made under subsection (1)

Members retain the right to resign from Clubs Victoria Inc. in accordance with Rule 10 of the association by giving written notice to the Executive Director.

CLUBS VICTORIA INC.


COMMITTEE'S OPERATING REPORT

Since the end of the previous financial year, no Committee Member has received or become entitled to receive a benefit other than:

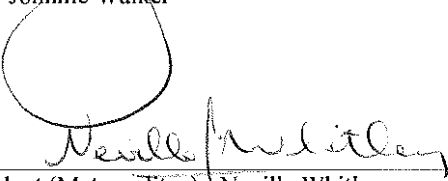
- (i) a benefit included in the aggregate amount of emoluments received or due and receivable by Committee members shown in the accounts; or
- (ii) the fixed salary of a full time employee of the entity or a related corporation by reason of a contract by the entity or a related corporation with the Committee Member or with a firm that has a substantial financial interest.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the association.

In accordance with a resolution of the Committee of Management.



President - Johnnie Walker



Vice President (Metropolitan) Neville Whitley
COUNTRY

Dated this 30th day of November 2009.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF CLUBS VICTORIA INC.

Report on the Financial Report

We have audited the accompanying financial report of Clubs Victoria Inc. which comprises the balance sheet as at 30 June 2009 and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by the Committee of Management.

Committee of Management's Responsibility for the Financial Report

The Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
CLUBS VICTORIA INC.**

Auditor's Opinion

In our opinion the general purpose financial report is presented fairly in accordance with the applicable Australian Accounting Standards and the requirements imposed under the Fair Work (Registered Organisations) Act 2009;

- a. Giving a true and fair view of the associations financial position as at 30 June 2009 and 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 2009, which detailed the sources and nature of the income of the association and nature and purpose of expenditure; and
- c. All information and explanations that are required by Chapter 8 of the Fair Work (Registered Organisations) Act 2009 have been provided by officers and employees of the association.



Bell Partners
Chartered Accountants



Robert H Wald
Partner (FCA, RCA 10418)

4 December 2009

Level 7, 468 St Kilda Road, Melbourne



FAIR WORK
AUSTRALIA

27 October 2009

Ms Barb Kelly
Metropolitan Vice-President
Clubs Victoria Inc
By email: admin@clubsvic.org

cc. Robert H Wald FCA
Partner, Bell Partners Chartered Accountants
By email: bellpartners@bellpartners.com.au

Dear Ms Kelly

Re: Clubs Victoria Inc Financial Report for the year ended 30 June 2009: FR2009/306

I acknowledge receipt of the financial report of Clubs Victoria Inc for the year ended 30 June 2009. The documents were lodged with Fair Work Australia on 24 September 2009. The financial report has *not* been filed. 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 can be filed.

1) Operating report

[Section 254](#) of the *Fair Work (Registered Organisations) Act 2009* [the RO Act] and [regulation 159](#) of the *Fair Work (Registered Organisations) Regulations 2009* [the RO Regulations] require organisation to prepare and lodge an operating report which reports specified matters. The following matters were omitted from the Operating Report lodged by Clubs Victoria Inc:

1.1) Number of members

Regulation 159(a) requires that the number of members at the end of the financial year be stated in the operating report.

1.2) Number of employees

Regulation 159(b) requires that the number of employees (both full and part-time measured on a full-time equivalent basis) be stated in the operating report.

1.3) Significant changes in financial affairs

Section 254(2)(b) requires the operating report to give details of any significant changes in the organisation's financial affairs during the year. If there were no significant changes, this needs to be stated.

1.4) Right of members to resign

Section 254(2)(c) requires the operating report to give details of the right of members to resign. This requirement may be met by the inclusion of a statement that a member has the right to resign and a reference to the relevant rule which makes such provision. Alternatively, the complete text of the relevant resignation rule may be reproduced in the report. It would appear in this case that rule 10 of the organisation's rules is applicable.

1.5) Officers who are Superannuation Fund Trustees

Section 254(2)(d) requires the operating report to give details (including the position held) of any officer or member of the reporting unit who is a trustee of a superannuation entity or a director of a company that is a trustee of a superannuation entity where the criterion for being the trustee is that they are an officer or a member of Clubs Victoria Inc. If there are no such officers or members, then this should be stated in the operating report.

1.6) Results of principal activities

Section 254(2)(a) requires the operating report to contain a review of the organisation's principal activities during the year, the results of those activities and any significant changes in the nature of those activities during the year. I note that the Operating Report lodged with Fair Work Australia contains a review of the activities and reports that there were no significant changes to those activities. However it does not include a description of the results of those activities. I note that the Operating Report contains a financial operating result, however this is not what is required by section 254. Instead the results of providing industrial and other services to members need to be described.

In order to ensure compliance with the RO Act and regulations, Clubs Victoria Inc needs to prepare a fresh operating report for the year ended 30 June 2009 which addresses the matters noted above.

2) Committee of Management Statement

The Committee of Management Statement lodged with Fair Work Australia does not meet the requirements of the [Reporting Guidelines](#).

2.1) Statement in accordance with a resolution of the committee of management

Reporting Guideline 26 requires that the Committee of Statement is made in accordance with a resolution of the committee, that it specifies the date of passage of the resolution and that it is signed and dated by a member of the Committee of Management designated to sign the Statement. I note that the Statement lodged by Clubs Victoria is signed, but the identities of the signatories are not revealed. Please note that only one signature is required, but the identity(s) of any signatory(s) needs to be stated. I also note that the Statement does not specify that the declaration has been made in accordance with a resolution of the Committee of Management, nor does it specify the date of any such resolution. These need to be specified in the statement.

2.2) Required declarations

Reporting Guideline 25 requires the Committee of Management Statement to make certain declarations. I note that the Committee of Management Statement lodged with Fair Work Australia omits most of the required declarations.

The Committee of Management is therefore required to meet and pass a resolution in accordance with the requirements of the Reporting Guidelines and a fresh Committee of Management Statement needs to be prepared. I have attached a sample Committee of Management Statement for your use.

Summary

As noted above, the Committee of Management of Clubs Victoria Inc needs to meet to pass a resolution regarding the matters set out in Reporting Guideline 25. It is also required to prepare a fresh operating report and a fresh committee of management statement. These documents, along with the financial statements and the auditor's report, must be provided to members as soon as possible. No less than 21 days after their provision to members, they need to be represented to a meeting of members and then lodged with Fair Work Australia.

I have provided a copy of this letter to your auditor. If you have any queries please call on 03 8661 7929.

Yours sincerely



Eve Anderson
Tribunal Services and Organisations
Fair Work Australia
Tel: 03 86617929

Email: eve.anderson@fwa.gov.au

24 September 2009

Fair Work Australia
11 Exhibition Street
MELBOURNE Vic 3000

Email: orgs@fwa.gov.au

Attn : Mr Kevin Donnellan
Tribunal Services & Organisations

Dear Kevin

RE: CLUBS VICTORIA INC
Lodgement of Financial Report for the Year Ended 30 June 2009 [FR2009/306]
Fair Work (Registered Organisations) Act 2009 (the RO Act)

Please find attached audited Financial Reports for the year ended 30 June 2009.

I confirm that the documents lodged are copies of the accounts mailed to the members on 26 August 2009, prior to its presentation to the Annual General Meeting held on 16 September 2009.

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 *RO Act 2009*.

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,



BARB KELLY
Metropolitan Vice President



Financial Report

for the Year Ended

30 June 2009

CLUBS VICTORIA INC.

COMMITTEE OF MANAGEMENT REPORT

Your Committee of Management presents their report on the Financial Accounts for the year ended 30 June 2009.

COMMITTEE OF MANAGEMENT

The names of the Committee members throughout the year and at the date of this report are:

Mr Johnnie Walker	Mr Ron Eggleton
Ms Barbara Kelly	Mr Jess Feather
Mr Neville Whitley	Mr Mark Griffiths (Elected 11/06/2009)
Mr Ian Carlile	Mr David Haggett
Mr Brendan Bell	Mr Vince Juliano
Mr Peter Craig	Mr Rick Scott
Mr George Csifo (Elected 11/06/2009)	Mr Michael Sweeney

Resigned/Retired:
Mr Rodney Beckwith (Retired June 2009)
Mr Johan Reeder (Resigned 19/12/2008)

PRINCIPAL ACTIVITIES

The principal continuing activities during the year consisted of :
To provide industrial relations, human resources, financial & general compliance support to members.
To provide facilities to members of the association.

SIGNIFICANT CHANGE IN OPERATIONS

No significant change in the nature of these activities occurred during the year.

OPERATING RESULT

	<i>2009</i>	<i>2008</i>
	\$	\$
SURPLUS (DEFICIT) FOR THE YEAR	(568,664)	148,941

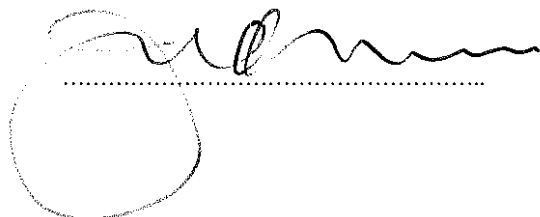
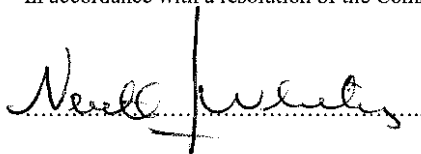
COMMITTEE OF MANAGEMENT BENEFITS

Since the end of the previous financial year, no Committee Member has received or become entitled to receive a benefit other than :

- (a) a benefit included in the aggregate amount of emoluments received or due and receivable by Committee Members shown in the accounts; or
- (b) the fixed salary of a full time employee of the entity of a related corporation

by reason of a contract by the entity or a related corporation with the Committee Member or with a firm that has a substantial financial interest.

In accordance with a resolution of the Committee of Management.



Dated this 24th day of August 2009.

CLUBS VICTORIA INC.
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	<i>Note</i>	<i>2009</i>	<i>2008</i>
		\$	\$
Revenue from Operating Income	(2)	1,121,367	1,637,502
Revenue from Non-Operating Income	(2)	153,708	144,432
Employee Benefits	(3)	(918,578)	(806,229)
Operational Expenses	(5)	(550,831)	(804,021)
Deprceiation Expenses	(4)	(11,270)	(20,835)
Finance Costs		-	(1,908)
SURPLUS (DEFICIT) before IMPAIRMENT LOSS		(205,604)	148,941
Impairment Loss		(363,060)	-
SURPLUS (DEFICIT) after IMPAIRMENT LOSS		(568,664)	148,941

The above Statement should be read in conjunction with the Notes to the Accounts.

CLUBS VICTORIA INC.
BALANCE SHEET
FOR THE YEAR ENDED 30 JUNE 2009

	<i>Note</i>	<i>2009</i> \$	<i>2008</i> \$
<i>CURRENT ASSETS</i>			
Cash & Cash Equivalents	(7)	511,174	833,280
Trade & Other Receivables		46,230	85,362
Other Assets		100,000	
Prepayments		13,195	-
Other Financial Assets	(8)	26,108	-
		<hr/>	<hr/>
<i>TOTAL CURRENT ASSETS</i>		696,707	918,642
		<hr/>	<hr/>
<i>NON-CURRENT ASSETS</i>			
Other Financial Assets	(8)	377,622	560,030
Property, Plant and Equipment	(9)	26,115	34,549
		<hr/>	<hr/>
<i>TOTAL NON-CURRENT ASSETS</i>		403,737	594,579
		<hr/>	<hr/>
<i>TOTAL ASSETS</i>		1,100,444	1,513,221
		<hr/>	<hr/>
<i>CURRENT LIABILITIES</i>			
Trade & Other Payables	(10)	250,088	362,540
Provisions	(11)	160,137	101,013
		<hr/>	<hr/>
<i>TOTAL CURRENT LIABILITIES</i>		410,225	463,553
		<hr/>	<hr/>
<i>NON CURRENT LIABILITIES</i>			
Provisions	(11)	16,829	33,500
		<hr/>	<hr/>
<i>TOTAL NON CURRENT LIABILITIES</i>		16,829	33,500
		<hr/>	<hr/>
<i>TOTAL LIABILITIES</i>		427,054	497,053
		<hr/>	<hr/>
<i>NET ASSETS</i>		673,390	1,016,168
		<hr/>	<hr/>
<i>EQUITY</i>			
Accumulated Surplus	(12B)	685,863	1,254,527
Financial Asset Available for Sale Revaluation Reserve	(12A)	(12,473)	(238,359)
		<hr/>	<hr/>
<i>TOTAL EQUITY</i>	(12C)	673,390	1,016,168
		<hr/>	<hr/>
Contingent Liabilities and Contingent Assets	(14)		
Commitments for Expenditure	(15)		

The above Statement should be read in conjunction with the Notes to the Accounts

CLUBS VICTORIA INC.
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009

	<i>Note</i>	2009	2008
		\$	\$
Total Equity at beginning of financial year		1,016,168	1,187,804
Available-for-Sale Investments Reserve			
Gain/(Loss) taken to Equity		(137,174)	(320,577)
Impairment Loss Transferred to profit or loss		363,060	-
ITEMS RECOGNISED DIRECTLY IN EQUITY		<u>225,886</u>	<u>(320,577)</u>
Surplus (Deficit) for the year		<u>(568,664)</u>	<u>148,941</u>
TOTAL RECOGNISED INCOME AND EXPENSES FOR THE YEAR		<u>(342,778)</u>	<u>(171,636)</u>
Total Equity at end of financial year		<u><u>673,390</u></u>	<u><u>1,016,168</u></u>

The above Statement should be read in conjunction with the Notes to the Accounts

CLUBS VICTORIA INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2009

	<i>Note</i>	2008	2007
		\$	\$
<i>CASH FLOW FROM OPERATING ACTIVITIES</i>			
Receipts From Members		1,220,485	1,718,376
Interest Received		47,519	71,476
Dividends Received		35,661	42,616
Other Income		30,000	-
Payments to Employees		(888,121)	(765,799)
Payments to Suppliers and other contract services		(665,324)	(918,725)
Net GST paid to ATO		(59,633)	(82,998)
<i>NET CASH FLOW FROM OPERATING ACTIVITIES</i>	(18)	(279,413)	64,946
<i>CASH FLOW FROM INVESTING ACTIVITIES</i>			
Payment for property, plant and equipment		(2,836)	(11,096)
Purchase of Investments		(82,293)	(418,793)
Proceeds from sale of property, plant & equipment		-	10,455
Proceeds from sale of Investments		42,436	144,754
<i>NET CASH FLOW FROM INVESTING ACTIVITIES</i>		(42,693)	(274,680)
<i>CASH FLOW FROM FINANCING ACTIVITIES</i>			
Proceeds from (Repayment of) Borrowings		-	(27,331)
<i>NET CASH FLOW FROM FINANCING ACTIVITIES</i>		-	(27,331)
<i>NET INCREASE/(DECREASE) IN CASH HELD</i>		(322,106)	(237,065)
<i>CASH AT BEGINNING OF THE FINANCIAL YEAR</i>		833,280	1,070,345
<i>CASH AT END OF THE FINANCIAL YEAR</i>	(17)	511,174	833,280

The above Statement should be read in conjunction with the Notes to the Accounts.

CLUBS VICTORIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AAS's) , Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporations Act (Vic)

The entity is a not-for-profit entity and therefore applies the additional Aus paragraphs applicable to "not-for-profit" entities under the AAS's.

(b) Basis of preparation

The financial report is prepared in accordance with the historical cost convention, except for the revaluation of certain non-financial assets and financial instruments, as noted. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of AASs management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial report for the year ended 30 June 2009 and the comparative information presented in these financial statements for the year ended 30 June 2008.

(c) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, deposits at call and highly liquid investments with an original maturity of 3 months or less, which are readily convertible to known amounts of cash.

For the cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts, which are included as current borrowings in the balance sheet.

(d) Receivables

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. Collectability of debts is reviewed on an ongoing basis, and debts which are known to be uncollectible are written off. A provision for doubtful debts is raised where doubt as to collection exists. Bad debts are written off when identified.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method, less any accumulated impairment.

CLUBS VICTORIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (Continued)

(e) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Association commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as (i) the amount at which the financial asset or financial liability is measured at initial recognition (ii) less principal repayments (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss. The association has not held any financial assets at fair value through profit or loss in the current or comparative financial year.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the association's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets 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 the committee. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed determinable payments.

CLUBS VICTORIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (Continued)

(e) Financial Instruments (continued)

Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At each reporting date, the association assesses whether there is objective evidence that a financial instrument has impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(f) Property, Plant and Equipment

Plant and Equipment are measured on a cost basis less accumulated depreciation and impairment losses.

The carrying amount of plant & equipment is reviewed annually by the Committee to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values to determine recoverable amounts.

(g) Depreciation

Assets with a cost in excess of \$1,000 (2007-08 and 2008-09) are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost over their estimated useful lives using the straight-line method. Estimates of the remaining useful lives and depreciation method for all assets are reviewed at least annually. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The following table indicates the expected useful lives of non current assets on which the depreciation charges are based.

Leasehold Improvements	Up to 40 Years
Motor Vehicles	Up to 5 years
Plant & Equipment	Up to 10 years

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 recoverable amount.

CLUBS VICTORIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (Continued)

(h) Disposal on Non-Financial Assets

Any gain or loss of the sale of non-financial assets is recognised in the income statement at the date that the control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at the time.

Impairment of Non-Financial Assets

Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment (i.e. as to whether their carrying value exceeds their recoverable amount, and so require write-downs) and whenever there is an indication that the asset may be impaired. All other assets are assessed annually for indications of impairment, except for:

- inventories;
- assets arising from employee benefits;
- financial instrument assets;
- investment property that is measured at fair value;
- non-current assets held for sale.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written-off as an expense except to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that class of asset.

It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

(i) Payables

These amounts consist predominantly of liabilities for goods and services.

Payables are initially recognised at fair value, then subsequently carried at amortised cost and represent liabilities for goods and services provided to Clubs Victoria prior to the end of the financial year that are unpaid, and arise when Clubs Victoria becomes obliged to make future payments in respect of the purchase of these goods and services.

The normal credit terms are usually Nett 30 days.

(j) Provisions

Provisions are recognised when Clubs Victoria Inc. has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(k) Goods & Services Tax

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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables 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 components of investing and financing activities, which are disclosed as operating cash flows.

CLUBS VICTORIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (Continued)

(l) Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Measurement of short-term and long-term employee benefits

Short-term employee benefits are those benefits that are expected to be settled within 12 months and are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. They include wages and salaries, annual leave, long service leave and accrued days off that are expected to be settled within 12 months.

Long-term employee benefits are those benefits that are not expected to be settled within 12 months and are measured at the present value of the estimated future cash outflows to be made by the Association in respect of services provided by employees up to the reporting date. They include long service leave not expected to be settled within 12 months.

The present value of long-term employee benefits is calculated in accordance with *AASB 119 Employee Benefits*. Long-term employee benefits are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employees, departures and periods of service. Expected future payments are discounted using interest rates on national Government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash flows.

Classification of employee benefits as current and non-current liabilities

Employee benefit provisions are reported as current liabilities where the Association does not have an unconditional right to defer settlement for at least 12 months. Consequently, the current portion of the employee benefit provision can include both short-term benefits, that are measured at nominal values, and long-term benefits, that are measured at present values.

Employee benefit provisions that are reported as non-current liabilities also include long-term benefits such as non vested long service leave (i.e. where the employee does not have a present entitlement to the benefit) that do not qualify for recognition as a current liability, and are measured at present values.

Superannuation

Contributions to contribution superannuation plans are expensed when incurred.

On-Costs

Employee benefit on-costs are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

(m) 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 ownership over the term of the lease.

CLUBS VICTORIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (Continued)

(m) Leases (continued)

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(n) Income Recognition

Revenue is recognised in accordance with AASB 118 *Revenue*. Income is recognised as revenue to the extent it is earned. Unearned income at reporting date is reported as income received in advance.

Amounts disclosed as revenue are, where applicable, net of returns, allowances and duties and taxes.

Interest

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(o) Financial Asset Available-for-sale Revaluation Reserve

The available-for-sale revaluation reserve arises on the revaluation of available-for-sale financial assets. Where a revalued asset is sold that portion of the reserve which relates to that financial asset is effectively realised, and is recognised in the income statement. Where a revalued financial asset is impaired that portion of the reserve which related to that financial asset is recognised in the income statement.

(p) Income Tax

Clubs Victoria Inc. is exempt from income tax under Section 23(h) of the Income Tax Assessment Act 1936 as amended.

(q) Key Estimates

Impairment

Clubs Victoria Inc. assesses the impairment at each reporting date by evaluation of conditions and events specific to the group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(r) Key Judgements

Other Financial Assets

Clubs Victoria Inc. maintain a portfolio of securities with a carrying amount of \$377,622 at reporting date. The overall investment has declined in value recently by 25 %. The Committee believes this decline constitutes a significant or prolonged decline below cost at this stage and hence an impairment has been recognised.

(s) New Accounting Standards for application in future periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application for future reporting periods and which the association has decided not to early adopt. A discussion of those future requirements relevant to the association and their impact on the association is as follows:-

CLUBS VICTORIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (Continued)

- (s) **New Accounting Standards for application in future periods (continued)**
- AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefine the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the association. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.

 - AASB 2008-5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) and AASB 2008-6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the association.

CLUBS VICTORIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	<i>Note</i>	2009	2008
		\$	\$
Note 2. REVENUE			
<i>Revenue from Operating Activities</i>			
Member Subscriptions		408,179	452,058
Members Fees and Levies		327,223	184,509
Sponsorships		235,613	248,930
Other Fees and Services		84,644	194,490
Commissions Received		19,988	51,859
Club Development Program		-	412,500
Recruitment Income		45,720	77,656
Government Grants		-	15,500
Sub-Total Revenue from Operating Activities		1,121,367	1,637,502
<i>Revenue from Non-Operating Income</i>			
Investment Income		35,661	42,616
Interest Received		47,030	71,476
Profit (Loss) on Sale of Investments		(58,983)	30,340
Specific Income	2a	130,000	-
Sub-Total Revenue from Non-Operating Activities		153,708	144,432
TOTAL REVENUE		1,275,075	1,781,934
Note 2a. SPECIFIC INCOME			
Legal Settlement		130,000	-
TOTAL SPECIFIC INCOME		130,000	-
Note 3. EMPLOYEE EXPENSES			
Salaries & Wages		784,445	701,038
Superannuation		52,618	44,438
Workcover		2,908	3,164
Payroll and Fringe Benefits Tax		69,994	51,478
Staff Expenses		8,613	6,111
TOTAL EMPLOYEE EXPENSES		918,578	806,229
Note 4. DEPRECIATION			
Leasehold Improvements		88	88
Office Equipment		11,182	15,814
Motor Vehicles		-	4,933
TOTAL DEPRECIATION		11,270	20,835

CLUBS VICTORIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	<i>Note</i>	2009 \$	2008 \$
Note 5. OPERATIONAL EXPENSES			
Administration		196,206	239,524
Levies, Fees and Subscriptions		135,940	262,470
Clubs Development Program- Non Salary		1,750	181,210
Occupancy		120,470	115,577
Donations		295	240
Sponsorships		6,500	5,000
Specific Expense	(5a)	89,670	-
		<u>550,831</u>	<u>804,021</u>
Note 5a. SPECIFIC EXPENSE			
Costs associated with Litigation Settlement		89,670	-
		<u>89,670</u>	<u>-</u>
Note 6. FINANCE COSTS			
Interest - Other		-	1,908
		<u>-</u>	<u>1,908</u>
Note 7. CASH & CASH EQUIVALENTS			
Cash on Hand		400	400
Cash at Bank		42,641	122,675
Aust. Dollar Term Deposits		468,133	710,205
		<u>511,174</u>	<u>833,280</u>
Note 8. OTHER FINANCIAL ASSETS			
Current			
<i>Held to maturity Financial Asset</i>			
Aust. Dollar Term Deposits		26,108	-
Non-Current			
<i>Available-for-sale Financial Assets</i>			
Australian Listed Equity Securities at market value		377,622	560,030
		<u>403,730</u>	<u>560,030</u>

CLUBS VICTORIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	<i>Note</i>	<i>2009</i>	<i>2008</i>
		<i>\$</i>	<i>\$</i>
<i>Note 9. PROPERTY, PLANT AND EQUIPMENT</i>			
Office Equipment		85,891	115,930
less Accumulated Depreciation		<u>(63,080)</u>	<u>(84,773)</u>
		22,811	31,157
Leaschold Improvements		3,532	3,532
less Accumulated Depreciation		<u>(228)</u>	<u>(140)</u>
		3,304	3,392
<i>TOTAL PROPERTY, PLANT, EQUIPMENT</i>		<u>26,115</u>	<u>34,549</u>

Reconciliations of the carrying amounts of each asset class at the beginning of the previous and current financial year is set out below.

CLUBS VICTORIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

9. PROPERTY, PLANT AND EQUIPMENT (continued)

RECONCILIATION OF CARRYING VALUES OF ALL ASSET CLASSES

	<i>Leasehold Improvements</i> \$	<i>Office Equipment</i> \$	<i>Motor Vehicles</i> \$	<i>Total</i> \$
Carrying Amount at <i>1/07/2007</i>	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 <i>30/06/2008</i>	3,392	31,157	-	34,549
Additions	-	2,836	-	2,836
Disposals	-	-	-	-
Depreciation Expense	(88)	(11,182)	-	(11,270)
Carrying amount at <i>30/06/2009</i>	3,304	22,811	-	26,115

CLUBS VICTORIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
Note 10. TRADE & OTHER PAYABLES		
Trade Creditors	34,457	54,649
Unearned Income	215,631	307,891
	<hr/>	<hr/>
TOTAL TRADE & OTHER PAYABLES	250,088	362,540
	<hr/> <hr/>	<hr/> <hr/>
Note 11. PROVISIONS		
Current		
Annual Leave	103,372	80,402
Long Service Leave	56,765	20,611
	<hr/>	<hr/>
	160,137	101,013
Non Current		
Long Service Leave	16,829	33,500
	<hr/>	<hr/>
TOTAL PROVISIONS	176,966	134,513
	<hr/> <hr/>	<hr/> <hr/>
Note 12. EQUITY		
(A) Reserves		
Financial Assets Available for Sale Revaluation Reserve		
Balance at the beginning of the reporting period	(238,359)	82,218
Valuation gain/(loss) recognised	(137,174)	(320,577)
Cumulative (gain)/loss transferred to Income Statement on impairment of financial assets	363,060	-
	<hr/>	<hr/>
Balance at the end of the reporting period	(12,473)	(238,359)
	<hr/> <hr/>	<hr/> <hr/>
(B) Accumulated Surpluses/(Deficits)		
Balance at the beginning of the reporting period	1,254,527	1,105,586
Surplus/(deficit) for the year	(568,664)	148,941
Balance at the end of the reporting period	<hr/> 685,863	<hr/> 1,254,527
	<hr/>	<hr/>
(C) Total Equity at end of the financial year	673,390	1,016,168
	<hr/> <hr/>	<hr/> <hr/>

CLUBS VICTORIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
Note 13. AUDITORS REMUNERATION		
Auditing and Reviewing the financial report	7,900	5,600
Other Services	1,830	900
	9,730	6,500
	9,730	6,500
Note 14. CONTINGENT LIABILITIES - CONTINGENT ASSETS		
A Bank Guarantee of \$17,875 has been provided for the rental of Level 2, 19-21 Argyle Place South, Carlton South.		
The Committee of Management was not aware of any other contingent asset or liability as at 30 June 2009.		
Note 15. COMMITMENT FOR EXPENDITURE		
Aggregate lease expenditure contracted for at balance date.		
Operating Leases		
Rent payments for Level 2, 19-21 Argyle Place Sth, Carlton Sth		
Not later than one year	112,309	107,990
Later than one year but not later than 2 years	116,802	112,309
Later than 2 years but not later than 5 years	183,402	300,204
Later than 5 years	-	-
Total Rent Payments	412,513	520,503
Payments for Phone System and Photocopier		
Not later than one year	19,340	-
Later than one year but not later than 2 years	18,658	-
Later than 2 years but not later than 5 years	31,055	-
Later than 5 years	-	-
Total Lease Payments	69,053	-
Total Commitments For Expenditure	481,566	520,503

Note 16. EVENTS OCCURRING AFTER BALANCE DATE

Since 30 June 2009, there have been no events that would materially effect the Financial Statements at balance date.

CLUBS VICTORIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

Note 17. RECONCILIATION OF CASH

For the purpose of the statement of cashflows, cash includes cash on hand, in banks and investments. Cash at the end of the year as shown in the Statement of Cashflows is reconciled to the related items in the Balance Sheet as follows:

	2009	2008
	\$	\$
Cash & Cash Equivalents - Note 7	511,174	833,280
	<hr/>	<hr/>
TOTAL CASH	511,174	833,280
	<hr/> <hr/>	<hr/> <hr/>

Note 18. RECONCILIATION OF NET RESULT TO CASHFLOWS FROM OPERATING ACTIVITIES

Surplus/(deficit) for the year	(568,664)	148,941
Non-Cashflows in Surplus(Deficit)		
Depreciation	11,270	20,835
Hire Purchase Interest	-	1,908
Net loss on disposal of property, plant and equipment	-	3,983
Profit/(loss) on sale of Investments	58,983	(30,340)
Impairment loss	363,060	-
Changes in assets and liabilities:		
(Increase)/decrease in Trade & Other Receivables	39,132	(58,289)
(Increase)/decrease in Prepayments	(13,195)	-
(Increase)/decrease in Other Assets	(100,000)	-
Increase/(decrease) in Trade & Other Payables	(112,452)	(62,522)
Increase/(decrease) in Employee Benefits	42,453	40,430
	<hr/>	<hr/>
NET CASH FLOWS FROM OPERATING ACTIVITIES	(279,413)	64,946
	<hr/> <hr/>	<hr/> <hr/>

CLUBS VICTORIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

Note 19: KEY MANAGEMENT PERSONNEL COMPENSATION

	<i>2009</i>	<i>2008</i>
	\$	\$
Short term benefit	519,910	446,275
Post employment benefit	42,050	28,525
Total compensation	<u>561,960</u>	<u>474,800</u>

Related party transactions

Related Parties.

	<i>2009</i>	<i>2008</i>
	\$	\$
During the year Clubs Victoria Inc. paid Walker & Co for co-ordination & implementation services for 2008 Achievement Awards including travel & accommodation. This amount is in keeping with standard business costing. Walker & Co is associated with Clubs Victoria Councillor Johnnie Walker.	15,100	35,673
During the year Clubs Victoria Inc. paid Alan Walker Holdings for reimbursable President's allowance. Alan Walker Holdings is associated with Johnnie Walker.	33,000	-
During the year Clubs Victoria Inc. paid Vincent Corp Pty Ltd for rent payments for Level 2, 19-21 Argyle Place South, Carlton South. Vincent Corp Pty Ltd is associated with the Clubs Victoria Councillor Vince Juliano.	112,677	111,981
During the year Clubs Victoria Inc. paid Ian Carlile (Clubs Victoria Councillor) for reimbursable President's allowance.	5,301	-

CLUBS VICTORIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

Note 20: FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

Clubs Victoria Inc.'s principal financial instruments comprise of deposits with banks, short term investments, and accounts receivable and payable.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset financial liability and equity instrument are disclosed in note 1 to the financial statements.

	Note	Carrying Amount 2009 \$	Carrying Amount 2008 \$
Financial Assets			
Cash and cash equivalents	7	511,174	833,280
Loans and receivables		46,230	85,362
Term Deposits	8	26,108	-
Available-for-sale Financial Assets:			
- Equity Investments	8	377,622	560,030
Total Financial Assets		961,134	1,478,672
Financial Liabilities			
At amortised cost			
Trade and Other Payables		34,457	54,649
Total Financial Liabilities		34,457	54,649

(b) Interest rate risk

The Committee does not believe that interest rate risk is significant. Therefore the association does not have any formal policy for managing such risk.

CLUBS VICTORIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

Note 20: FINANCIAL INSTRUMENTS (Continued)

(e) Liquidity Risk

Liquidity risk arises from the possibility that Clubs Victoria Inc. might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. Clubs Victoria Inc. manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities; and
- only investing surplus cash with major financial institutions.

The following table discloses the contractual maturity analysis for Clubs Victoria Inc.'s financial liabilities. For interest rates applicable to each class of liability refer to individual notes to the financial statements.

Financial liability and financial assets maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$	\$	\$
Financial Liabilities due for payment								
Trade and Other payables	34,457	54,649	-	-	-	-	34,457	54,649
Total contractual outflows	34,457	54,649	-	-	-	-	34,457	54,649
Total expected outflows	34,457	54,649	-	-	-	-	34,457	54,649
Financial assets - Cash flow realisable								
Cash and cash equivalents	511,174	833,280	-	-	-	-	511,174	833,280
Trade & Other receivables	46,230	85,362	-	-	-	-	46,230	85,362
Term Deposits	26,108	-	-	-	-	-	26,108	-
Available-for-sale investments	377,622	560,030	-	-	-	-	377,622	560,030
Total anticipated inflows	961,134	1,478,672	-	-	-	-	961,134	1,478,672
Net (outflow)/inflow on financial instruments	926,677	1,424,023	-	-	-	-	926,677	1,424,023

(d) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to Clubs Victoria Inc.

Credit risk exposures

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 impairment of those assets, disclosed in the balance sheet and notes to the financial statements.

(e) Price risk

Price risk relates to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factor for commodities.

Clubs Victoria Inc. is exposed to securities price risk on available-for-sale investments. Such risk is managed through diversification of investments across industries and geographic locations.

CLUBS VICTORIA INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

Note 20: FINANCIAL INSTRUMENTS (Continued)

(f) Fair Value of Financial Assets and Liabilities

The fair values of financial assets and liabilities are presented in the following table and can be compared to their carrying values as presented in the balance sheet. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Areas of judgement and the assumptions used have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded.

Net Fair Value

	Carrying Amount 2009 \$	Net Fair Value 2009 \$	Carrying Amount 2008 \$	Net Fair Value 2008 \$
Financial Assets				
Cash and cash equivalents	511,174	511,174	833,280	833,280
Trade and other receivables	46,230	46,230	85,362	85,362
Term Deposit	26,108	26,108	-	-
Investments- available-for-sale	<u>377,622</u>	<u>377,622</u>	<u>560,030</u>	<u>560,030</u>
Total Financial Assets	<u>961,134</u>	<u>961,134</u>	<u>1,478,672</u>	<u>1,478,672</u>
Financial Liabilities				
Trade & Other Payables	34,457	34,457	54,649	54,649
Total Financial Liabilities	<u>34,457</u>	<u>34,457</u>	<u>54,649</u>	<u>54,649</u>

Fair values of financial instruments are determined on the following basis:

Cash, deposit investments, cash equivalents and non-interest bearing financial assets and liabilities (trade debtors, other receivables, trade creditors and advances) are valued at cost which approximates to fair value. For listed available-for sale financial assets, closing quoted bid prices at reporting date are used.

Sensitivity analysis

The Committee considers that the only material market risk arises in relation to holdings of available-for-sale investments. Should share market prices increase/decrease by 10%, the value of investments will increase/decrease by approximately \$ 37,762 (2008: \$56,003). The impact this will have the equity and surplus of the organisation cannot be determined as it will depend on which investments are impacted by any change in value.

Interest rate risk sensitivity analysis

At 30 June 2009, the effect of profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows.

	2009 \$	2008 \$
<i>Change in profit</i>		
- Increase of 1%	5,118	8,333
- Decrease of 1%	(5,118)	(8,333)
<i>Change in equity</i>		
- Increase of 1%	5,118	8,333
- Decrease of 1%	(5,118)	(8,333)

Note 21: ASSOCIATION DETAILS

The principal place of business is:
Level 2/ 19-21 Argyle Pl South
Carlton South
VIC 3053

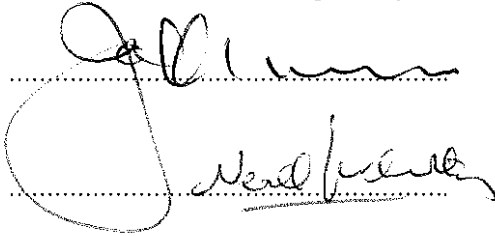
CLUBS VICTORIA INC.

STATEMENT BY MEMBERS OF THE COMMITTEE

In the opinion of the Committee of Management the financial report as set out on the preceding pages:

1. Presents a true and fair view of the financial position of Clubs Victoria Inc. as at 30 June 2009 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. At the date of this statement there are reasonable grounds to believe that Clubs Victoria Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee of Management and is signed for and on behalf of the Committee of Management by:



The image shows two handwritten signatures in black ink, each written over a horizontal dotted line. The first signature is a cursive name, possibly 'J. Williams'. The second signature is also cursive and appears to be 'Neil [unclear]'. The lines are dotted, suggesting they are intended to be printed or scanned as solid lines.

Dated this 24th day of August 2009.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
CLUBS VICTORIA INC.**

Report on the Financial Report

We have audited the accompanying financial report of Clubs Victoria Inc. which comprises the balance sheet as at 30 June 2009 and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by the Committee of Management.

Committee of Management's Responsibility for the Financial Report

The Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Workplace Relations Act 1996. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion the general purpose financial report is presented fairly in accordance with the applicable Australian Accounting Standards and the requirements imposed under the Workplace Relations Act 1996;

- a. Giving a true and fair view of the associations financial position as at 30 June 2009 and its performance for the year ended in 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 2009, which detailed the sources and nature of the income of the association and nature and purpose of expenditure; and
- 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.



Bell Partners
Chartered Accountants



Robert H Wald FCA
Partner, RCA 10418

25 August 2009

Level 7, 468 St. Kilda Road, Melbourne