



13 March 2014

Ms Barbara Kelly
President
Clubs Victoria Inc
Level 3, Celtic Club
316 Queens Street
Melbourne VIC 3000

Copy to: Mr Richard Evans
Executive Director
revans@clubsvic.org

Dear Ms Kelly

Financial reports for Clubs Victoria Inc. for years ended 30 June 2011 and 30 June 2012 (FR2011/2614 and FR2012/299)

I refer to your letter dated 22 January 2014 and received by the Fair Work Commission on 4 February 2014.

The financial reports for the years ended 30 June 2011 and 30 June 2012 have now been filed. Thank you for your response to our request for further information.

In regards to your queries I will respond to each question in turn.

1. Why are these questions being asked now and not when we submitted the reports?

The Regulatory Compliance Branch has experienced an unprecedented backlog of work and consequently delays in processing the Clubs Victoria Inc. financial reports. This backlog is due to:

- a) the increased number of inquiries, investigations and Federal Court action undertaken by General Manager assisted by the Regulatory Compliance Branch in relation to registered organisations' compliance with *the Fair Work (Registered Organisations) Act 2009* (the RO Act) and their financial obligations; and
- b) the increased number of rule alterations that must be completed by all registered organisations regarding financial disclosures and policies that is mandatory under the *Fair Work (Registered Organisations) Amendment Act 2012*.

2. Why have you not referred to our Annual Reports which update you on member movements; the last report being dated 23 January 2013?

The Clubs Victoria Inc. Annual Reports for both 2011 and 2012 were closely examined. In terms of member movements I had noted that members had confidence in the organisation and retained the membership during the two years. The Annual Reports also disclosed that considerable changes were made to the operations with staff redundancies, change of address to a more modest abode and increase services to members with less expenditure. However, as noted in my letter of 15 January 2014 at the financial year end 30 June 2012 the comprehensive income for the year was still at a loss of \$85,199 and the current liabilities exceeded the current

assets by \$11,963. Although this was a marked improvement from the financial results for the year ended 30 June 2011, the auditor's report nevertheless disclosed an emphasis of matter that there is a material uncertainty that may cast doubt upon the organisation's ability to continue as a going concern.

Section 253 of the RO Act requires Clubs Victoria Inc to prepare a General Purpose Financial Report in accordance with the Australian Accounting Standards (AASB). Paragraph 25 of AASB 101 (NFP) requires the management of Clubs Victoria Inc to make an assessment of its ability to continue as a going concern. Paragraph 26 states:

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The degree of consideration depends on the facts in each case. When an entity has a history of profitable operations and ready access to financial resources, the entity may reach a conclusion that the going concern basis of accounting is appropriate without detailed analysis. In other cases, management may need to consider a wide range of factors relating to current and expected profitability, debt repayment schedules and potential sources of replacement financing before it can satisfy itself that the going concern basis is appropriate.

I sought further information to satisfy the Director of the Regulatory Compliance Branch that the going concern assumption was the appropriate basis for the preparation of the General Purpose Financial Report.

3. If you have noted the issues of financial concern for these two years, why did you not raise the alarm bells when the organisation was realising very significant and greater losses prior to 2010?

On examining the financial reports for years ended 30 June 2011 and 2012 a thorough examination was conducted on the previous years' financial reports for years ended 30 June 2008, 2009 and 2010. No comment was made by the Regulatory Compliance Branch in the previous years because the deficit in 2009 was \$568,664 of which \$363,060 was due to an impairment loss. During the same year the total equity for the organisation was \$673,390. In 2010 the deficit for the year was \$331,107 with an impairment gain of \$69,329 and the total equity was still at a healthy \$323,055. In neither financial years where a deficit was disclosed, was there an emphasis of matter in the auditor's reports regarding the organisation's ability to continue as a going concern. However, for years ended 30 June 2011 and 2012 the total equity of the organisation was minus \$44,884 and minus \$130,083 respectively, suggesting that the organisation does not have sufficient funds to meet its commitments. Further the auditor included an emphasis of matter regarding the ability of the organisation to continue as a going concern in the reports for years ended 30 June 2011 and 2012. These are the bases for which further information is sought.

4. Does the FWC consider correspondence we have sent on operational matters advising you of matters associated with Clubs Victoria when consider the matters you have raised?

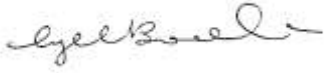
In analysing the financial reports all materials that have been lodged in relation to the financial report for the relevant financial year is considered. Accordingly, the president's report, treasurer's report and executive director's reports which were attached to the financial report for years ended 30 June 2011 and 2012 were examined. If extraneous correspondence were sent on the operational matters of the organisation were sent separate to the bundle of documents entitled 'Clubs Victoria annual Report 2011' and 'Clubs Victoria Annual Report 2012' I would not be aware of its existence unless a specific reference was made to link the correspondence to the relevant financial report.

5. Why does the FWC place inappropriate due dates for the return of correspondence in January when availabilities of key personnel are scant whilst these matters have been outstanding for years?

The Regulatory Compliance Branch is not aware of the availability of key personnel of each registered organisation. If the due date of responding to correspondence from the Regulatory

Compliance Branch of the Commission poses a problem with the organisation, a phone call or email to arrange a later date for a response will, in most circumstances, be accommodated.

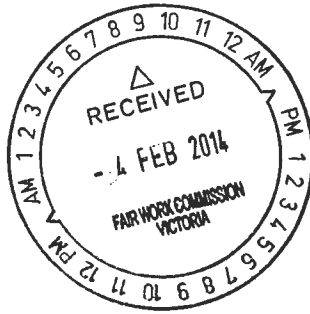
Yours sincerely

A handwritten signature in black ink, appearing to read 'Cynthia Lo-Booth', with a stylized flourish at the end.

Cynthia Lo-Booth
Senior Adviser
Regulatory Compliance Branch

22 January 2014

Fair Work Commission
GPO Box 1994
MELBOURNE Vic 3001



Attn : Ms Cynthia Lo-Booth
Senior Adviser
Regulatory Compliance Branch

Email: Cynthia.lobooth@fwc.gov.au

Dear Ms Lo-Booth,

Financial Report for Clubs Victoria Inc for years ended 30 June 2011 and 30 June 2012 (FR 2011/2614 and FR 2012/299)

We refer to your letter dated 15 January seeking clarification of the above annual reports which have been submitted to you on time in compliance with your requirements. We are very happy to provide you with the answers to your queries and we will set them out below and attach further information for you.

We understand the importance of compliance and therefore seek answers to our own questions, which we would appreciate your response;

1. Why are these questions being asked now and not when we submitted the reports?
2. Why have you not referred to our Annual Reports which update you on member movements; the last report being dated 23 January 2013?
3. If you have noted the issues of financial concern for these two years, why did you not raise the alarm bells when the organisation was realising very significant and greater losses prior to 2010?
4. Does the FWC consider correspondence we have sent on operational matters advising you of matters associated with Clubs Victoria when consider the matters you have raised?
5. Why does FWC place inappropriate due dates for the return of correspondence in January when availabilities of key personnel are scant whilst these matters have been outstanding for years?

To address you issues of concern we offer the following.

1. Going concern

The FWC would be able to recognise the organisation was making significant losses and there was a significant attack on it by the previous serving president who set up a rival organisation.

You will note that immediate and drastic measures were undertaken to reduce expenditure whilst protecting members' interests and providing an effective

service to them. This has required a significant redevelopment of the business model. Therefore, comparisons to previous years' trading are perhaps a little inappropriate, as the organisation was effectively changing its operation in cost reduction on a monthly basis.

Suffice to say, we are pleased to report an operating profit in 2012/2013 and we attach the approved Annual Report. (We will submit this report under a separate cover to ensure our compliance duty is maintained).

We can also report we have budgeted for an operating profit this financial year and we are well ahead of forecasts.

Part of the redevelopment of the business model was an attempt to reunite the sector and we have been negotiating with the former President since 2011 to have his organisation unify with Clubs Victoria. We can offer the following advice:

- Both Clubs Victoria and Community Clubs of Victoria have signed a MoU to work towards unification.
- A new constitution will be approved by members and submitted to FWC for approval.
- A vote on unification will be made in March 2014.
- It is anticipated that the new organisation will operate from 1 July 2014.
- Clubs Victoria will comply with annual returns and other matters as per FWC requirements for the year 2013/2014.

Once the new peak registered organisation is established in accordance with FWC rules and legislative requirements, membership will return to previous levels and sponsorship revenue will also grow.

It is anticipated the loan from Clubs NSW will be repaid prior to unification in early 2014.

We suspect this brief provides direct answers to your two questions. If it does not then please let us know what further information you need.

2. Membership subscriptions.

We have two unofficial membership categories; financial and unfinancial.

We have reported directly to FWC what the current financial membership position of Clubs Victoria at 23 January 2013, stood at 207.

We will be reporting to FWC this month in line with our normal governance requirements what the current membership position is 203; but we anticipate there will be little change until unification of the sector.

As to anomalies; membership rates are determined by two factors, staff numbers and gaming machine numbers. As these individual club numbers vary, so too does the membership fees for each club.

3. Benefits paid to office holders

No payments have been made to office holders since 2010. So specific answers your questions;

- a. No; N/A
- b. No; N/A
- c. No; N/A

4. 2012 Financial Report

There was some confusion associated with the 2012 Financial Report in terms of being sent to members due to a date on the Auditor's letter being changed to meet legislative requirements as opposed to standard commercial practice.

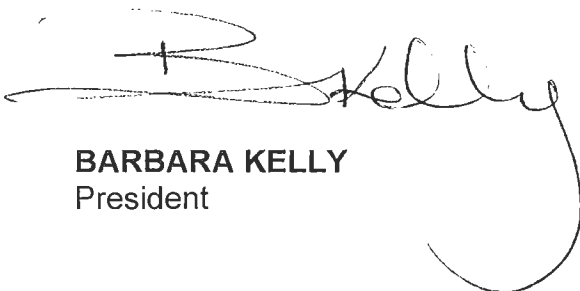
- Notice of the AGM was provided to members 27 September 2012
- The Financials were sent to Members 19 October 2012
- AGM was held 23 October 2012 and approved the Financial Report
- The Financial Report remains on the members' website for easy access.

Members have always, and continue, to have access to financial reporting. They have direct access via the website of all annual financial reports, and they are updated at four member meetings throughout the year.

With relation to the unification of the two industry organisations, members have been actively involved and a current 'road show' is taking place in February to update all members of progress and provided any answers to operational matters and question of financial viability.

We hope this meets your needs for information. If you require further information please do not hesitate to contact Richard Evans at revans@clubsvic.org.

Yours sincerely



BARBARA KELLY
President



15 January 2014

Ms Barbara Kelly
President
Clubs Victoria Inc
Level 3, Celtic Club
316 Queens Street
Melbourne VIC 3000

Copy to: Mr Richard Evans
Executive Director
revans@clubsvic.org

Dear Ms Kelly

Financial reports for Clubs Victoria Inc. for years ended 30 June 2011 and 30 June 2012 (FR2011/2614 and FR2012/299)

The financial reports for the years ended 30 June 2011 and 30 June 2012 for Clubs Victoria Inc. ("the association") was lodged with the Fair Work Commission ("FWC") on 18 January 2012 and 1 February 2013 respectively. I apologise for the delay in responding to these financial reports.

The financial reports have not been filed.

Further information is required to be provided before these reports can be finalised. Please provide the following requested information in writing to FWC by **Friday, 31 January 2014**. The information must be signed off by an office holder such as the president.

1. Emphasis of matter - Going concern

It is noted that an 'Emphasis of matter' is contained in both financial reports. In the respective auditor's reports, the auditor provides without qualification to his opinion that there is 'a material uncertainty... about the association's ability to continue as a going concern.' Note 21 (2010-2011 financial report) and Note 19 (2011-2012 financial report) provides a similar statement and the proposed steps the association plan to take in addressing their poor financial position. Furthermore, the Committee of Management Statements for each respective year contains a resolution that the association have reasonable grounds to believe that they are able to pay its debts as and when they become due and payable.

It is apparent that the association has adopted steps to reduce its expenditure. There is a significant decrease in the expenditure on employee benefits, particularly for the financial year ended 30 June 2012 with paid staff being reduced to one employee and the severance/notice payments being made in the previous financial year. The operating expenditure is steadily decreasing but overall the total revenue remains less than the total expenditure and the association continues to operate at a deficit. Sponsorships have decreased although the plan was to seek additional sponsorship. It is further noted that the association has received an interest free loan of \$150,000 from Clubs NSW which requires annual repayments of \$30,000 for the next five years. However, this cash injection appears to be an interim solution. Accordingly

we seek further information beyond the steps that were set out in Note 21 and 19, regarding the association's ability to continue as a going concern:

- a) How does the association intend to increase its operating revenue?
- b) How does the association intend to further decrease its operating costs?

2. Membership subscriptions

It is noted that membership numbers for 2011 and 2012 have remained the same with 342 members. However a significantly lesser amount was received in revenue under members subscriptions for the financial year ended 30 June 2012. In 2010-2011 the association received \$463,110 in subscriptions while in 2011-2012 only \$383,523 was received - a decrease of \$79,587 when the membership numbers were the same.

Please provide an explanation for this anomaly. It may be that the membership subscriptions payable by each member (such as the licensed club or racing club) is based on the number of persons that belong to each respective licensed club or racing club.

3. Benefits paid to office holder and related party transactions

Sections 6 and 9 of the *Fair Work (Registered Organisations) Act 2009* defines an office holder as a person who holds the office of the president, vice president, secretary or assistant secretary or is a voting member of a collective body that manage the affairs, determine the policy, make and enforce rules of the organisation, such as the voting members of the Council or Executive.

Although the Rules of Clubs Victoria Inc. classify the Executive Director as an office bearer (rule 16.4) and he is a member of the Executive (rule 15.1.5), the Executive Director is appointed by the Council (rule 15.2) and has no voting rights (rule 16.4.1). Accordingly, the Executive Director does not fall within the meaning of an 'office holder' as defined in ss.6 and 9. However, the Executive Director appears to fall within the meaning of key management personnel as defined in the Australian Accounting Standards (AASB 124(17)).

We seek the following information:

- a) In relation to both financial years, were there any employee benefits paid to any office holders (such as president, vice president, treasurer, councillors)? If so which financial year was it paid and what was the amount?
- b) In relation to both financial years, were there any provisions that related to any office holders? If so which financial year and what was the amount?
- c) In relation to both financial years, were there any related party transactions with the office holders? If so, who was the transaction with, what was the substance/reason for the transaction and what was the amount?

4. 2012 financial report - Date full report was provided to members

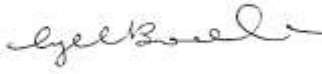
In the covering letter for the financial report for the year ended 30 June 2012 which purports to be a designated officer's certificate, the correspondence merely states that 'documents lodged are copies of the accounts emailed to the members...' There was no date provided as to when this was done.

Please do the following:

- a) Confirm that copies of the 'accounts' emailed to members included a copy of the operating report and the auditor's report.
- b) Provide the date this was emailed to members.

If you have any questions please do not hesitate to contact me on (03) 8661 7915 or via email at cynthia.lobooth@fwc.gov.au I work part time from Tuesdays to Fridays. I will contact Mr Evans later this week to discuss this letter and to answer any questions.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Cynthia Lo-Booth', with a stylized flourish at the end.

Cynthia Lo-Booth
Senior Adviser
Regulatory Compliance Branch

23 January 2013

Fair Work Commission
11 Exhibition Street
MELBOURNE Vic 3000

Email: orgs@fwc.gov.au

Attn : Mr Robert Pfeiffer
Senior Advisor
Regulatory Compliance Branch

Dear Mr Pfeiffer

CLUBS VICTORIA INC
Lodgement of Financial Report for the Year Ended 30 June 2012
Fair Work (Registered Organisations) Act 2009 (the RO Act)

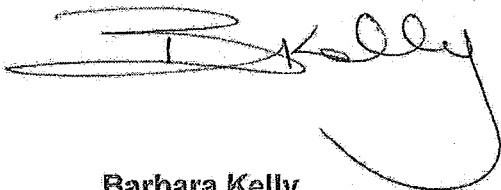
Please find attached Annual Report and audited Financial Accounts for the year ended 30 June 2012.

I confirm that the documents lodged are copies of the accounts emailed to the members, prior to its presentation to the Annual General Meeting held on 23 October 2012. The annual report and financials are also available to members on the Clubs Victoria web site on an ongoing basis, which were posted after the AGM.

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 Richard Evans the Executive Director on 1300 787 852 or email revans@clubsvic.org

Yours faithfully,



Barbara Kelly
President

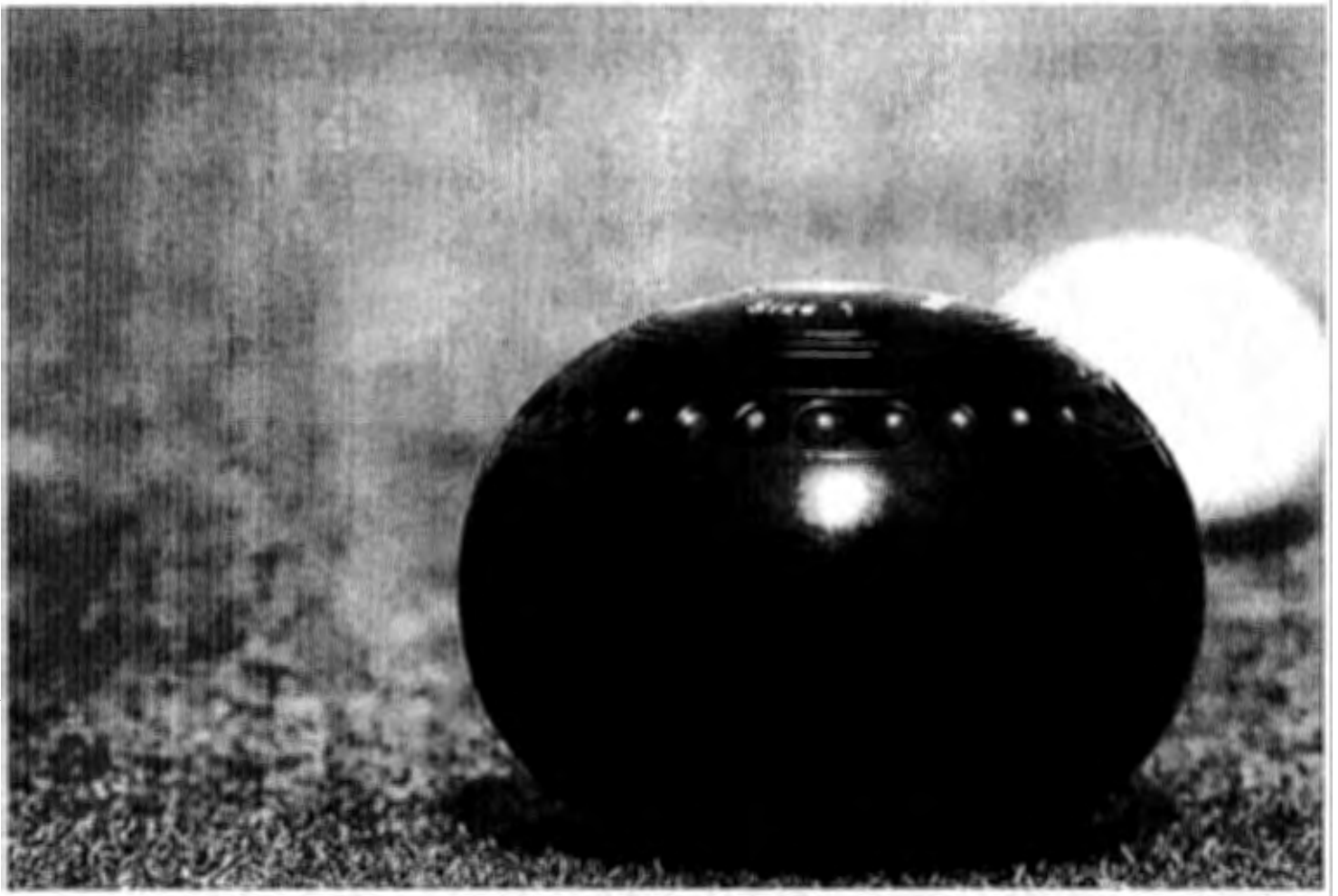


CLUBS VICTORIA INC.

Annual Report 2011/12

THE EASTERN GOLF CLUB





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*Front cover is the management team from Eastern Golf the Club of the Year

president's report

The 2011/12 Annual Report of Clubs Victoria marks the 96th year of operation for our organisation and like the changes placed on our clubs in recent times, heralds a time when we must consider the future directions of our organisation. The previous four years at Clubs Victoria has seen significant upheaval as a result of reduced revenues from the gaming operators and the effects of the fragmentation of the sector.

Following on from the changes last year the Clubs Victoria Council and management have prioritised the stability of the organisation and to ensure the membership offering is both relevant and valuable.

Our focus has widened to include issues relevant to all Licenced Clubs in Victoria, not just those with gaming. And whilst making that point we can see the quality of the improved HR and IR services, of our Club Connect magazine and the education and networking opportunities through Clubs Victoria are second to none.

However it is the advocacy needs of Clubs that are the most important. It will only be through the combined strength of the Clubs that we can ensure the needs of our communities are protected. The success of the Clubs Australia "It's un-Australian" campaign against mandatory pre-commitment showed the combined strength of our Club network and I must thank all of our members who took part in the campaign for their time and energy. The changed gaming environment in Victoria is one example of the need for Clubs to be united for our own benefit. It has been obvious to those in the gaming industry that the government is still grappling with the process it started when it announced the changes to pokies ownership what now seems decades ago. We must provide our input to ensure the transition to this new gaming system, that will be hugely beneficial to Clubs, doesn't strike the hurdles in the future that it has struck in the past.

In my report last year I spoke of the need to mend bridges from the past and the most significant of these has been the fracturing of the Club industry with two representative bodies, namely Clubs Victoria and Community Clubs Association of Victoria. I am pleased to announce the two bodies are in discussions over a unification process, and whilst things won't happen overnight, I am hopeful that eventually a combined body will better represent the Club industry in Victoria.

One of the highlights of every year is the Annual Clubs Victoria Achievement Awards Night at Crown and this year was no exception. This year's Club of the Year was awarded to Eastern Golf Club. Eastern GC has a rich history and contribution to club life in Victoria and has exciting plans for the future. Congratulations also go to the Metropolitan Club of the Year, the RACV City Club and the Regional Club of the Year Kyneton Bowling Club.

We recently announced the 2012 Chefs Table Awards at the RACV City Club. This year's award was a fiercely contested affair with the Gold Trophy awarded to the Melbourne Cricket Club in the Fine Dining section and to Patterson River Country Club in the Good Food section. Well done to all of the entrants.

With such a challenging year, I must thank the Clubs Victoria Council which has worked on a range of issues and I must thank them for their continued time and efforts. Whilst on this point I noted, with disappointment, the lack of nominations for the vacant Council positions this year. Most of us find similar situations at our Clubs in recent times and I know we are all struggling for time these days, but I remind you all of the importance of the task at hand and the need to get involved.

I must thank our Corporate Sponsors for their continued support of Clubs Victoria. Our member Clubs are reminded of the importance of these sponsors and their impact on the provision of services to them. Please remember this support when looking for suppliers in future. Special recognition goes to our Corporate partners at Mercury, who went 'live' in over 45 Clubs across the state on August 16th 2012.

To our Executive Director, Richard Evans, my thanks for taking on such a challenge and continuing to offer solutions and innovations to Clubs Victoria members through a difficult period.

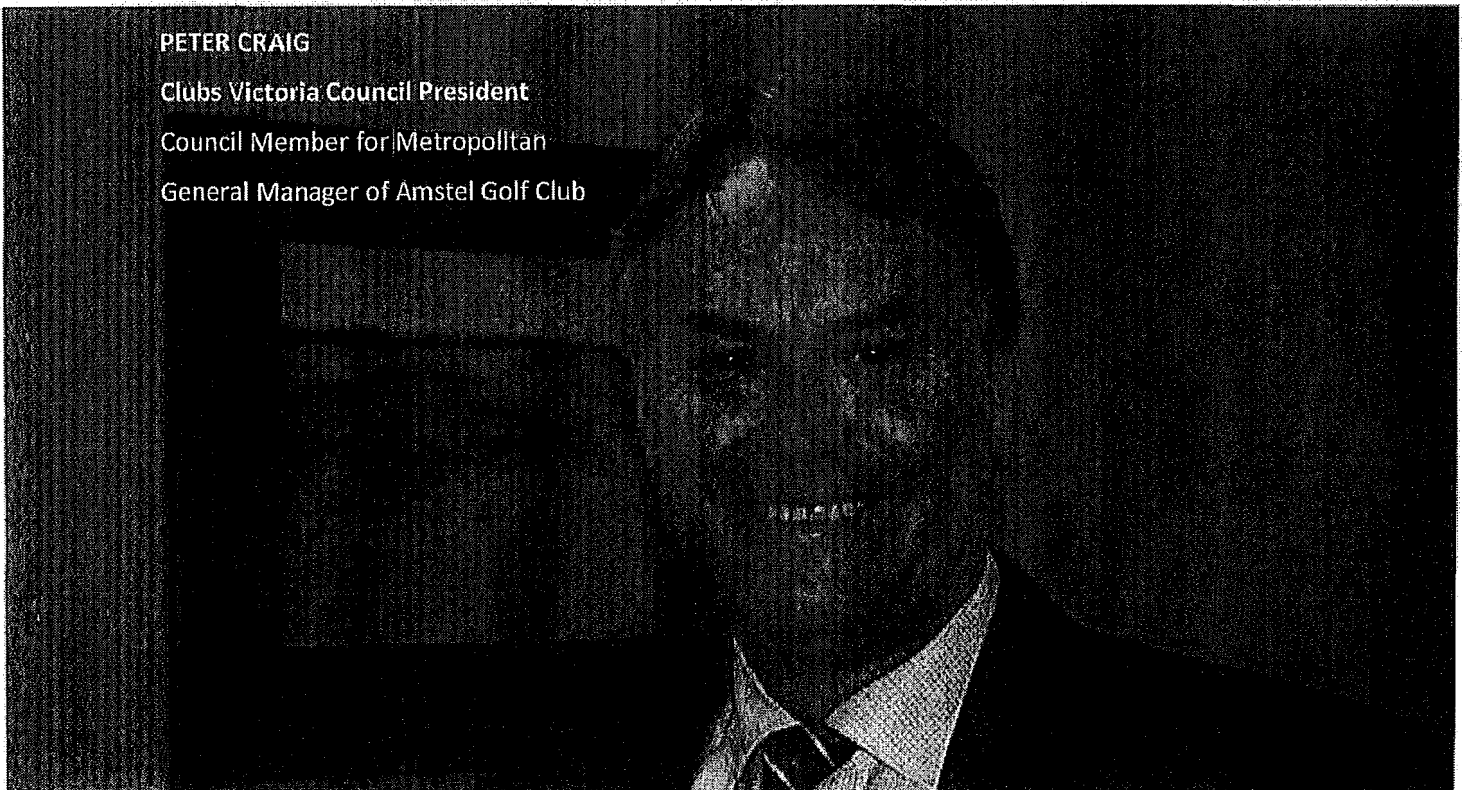
Lastly, and most importantly, I must thank our member Clubs for their continued support throughout 2011/12; a Club is only as strong as its members and on this count Clubs Victoria is no different to your Club, or mine.

PETER CRAIG

Clubs Victoria Council President

Council Member for Metropolitan

General Manager of Amstel Golf Club



treasurer's report

It is true that if you spend more than you earn then you will go broke. For the last four years this has been true for Clubs Victoria: we have spent more than we have earned, but this excessive spending will be no more.

It is disappointing to report that we present a loss of \$85,199; however, further analysis will indicate this is a better result than the previous three years. Indeed, it is a \$314,441 improvement (80%) on the previous year which in itself was an improvement on the previous two years' results. We have turned the corner and we now forecast surpluses for the coming years.

This year we have focused on reducing expense and we can see this has been successful in most categories. The expense lines that impact us most is events and the notion that we should subsidize events for members. In the past, when we have had significant revenue from the Licensed Gaming Operators we were able to provide member subsidises and we retained that generous model this year. However, we cannot sustain that model any longer and we will be seeking to reduce this expense line this year.

I remain concerned about the seepage of membership from Clubs Victoria and question whether this is a trend. If it is, we need to refocus the brand as we are, after all, the registered employer organisation for licensed clubs; and, therefore, clubs should reconsider their support for their voice. Whilst it is true clubs may consider Clubs Victoria was a socially driven organisation in the past, clearly, the advocacy we have provided across many policy areas far out ways the perception we should be an organisation based on personality; no, we need advocacy and we must stick together and this is the very reason Clubs Victoria exists. We need to ensure clubs understand why we need unity in the market, as it is a major benefit of membership; and, this is the reason I fully support the campaign for market unification.



Our cash management is secured by overdraft facilities raised from Clubs NSW under generous arrangements. We will therefore continue to maintain our services this coming year; we will focus on reducing costs further to ensure we gain a surplus. Not for Profits can sometimes forget they need to achieve profits (surplus) and Clubs Victoria had forgotten that concept as we have experienced four years of losses. We reworked the business model two years ago with a focus on our core services whilst reducing expense. We have more to do, but our expectation is that we have now got the right model in place. It has been hard; we have been severely criticised by many in the club sector for changing the model; we have had some former members prefer the previous losses to the new model focused on services; but, as any club manager or club director would realise, we cannot continue to lose member funds. We decided two years ago to change the model and whilst we have more to do, we are confident we can sustain our services so important for all of us.

Feel assured we act in the best interest of members and indeed, the broader licensed club market.

BYRON SMITH

Clubs Victoria Treasurer

Council Member for Metropolitan

Former General Manager of Keysborough Golf Club



**MELBOURNE CRICKET CLUB
WINNERS OF THE 2011 CHEF'S TABLE
IN VICTORIA AND NATIONALLY**

**EASTERN GOLF CLUB
2011 CLUB OF THE YEAR**

THE EASTERN GOLF CLUB



executive director's report

This is the 96th annual report and when one considers this number one has to be enthused of the longevity of the organisation, which is, after all, run by club managers and directors who are elected by clubs, for the sole benefit of clubs.

Clubs Victoria's elected Council set some ambitious goals in the past and now into the future with the most important direction to the Executive of remaining relevant. This has been achieved this year, and indeed, we have increased our relevance to those clubs that value the single loud voice approach to matters that concern them.

We are an association of clubs brought together to represent licensed clubs. We are not a private company, neither have we sectional nor commercial interests; and we are not influenced by commercial entities nor do we encourage individuals to prosper from their association with us. We stand for clubs and we represent them in forums they need to be a part and our voice, which is your voice, provides and maintains the sector's reputation and relevance.

We have 6 pillars for which we stand:

Advocacy

- This year we have been fighting for clubs on many fronts. It is interesting to note we do this without the support of other so called peak bodies. The many issues we have been focusing on, include;
 - Tax – how the federal government is proposing changes to laws that may impact your club.
 - Fair Work Australia – submissions protecting your rights with regard

- to changes to the Award.
- Incorporated Associations Act – mitigating the issues surrounding the changes the Victorian Government will be enacting.
- Liquor licensing changes and mitigating their impact on your club.
- Winning the mandatory precommitment campaign for gaming clubs.
- Fighting for gaming clubs rights during transition.
- It is relevant to remember Clubs Victoria does not share this space with other associations other than our membership to Clubs Australia.
- Education**
 - This year we have launched online programs relevant to your club and have extended our education program into gaming.
 - We publish the industry magazine Club Connect to provide clubs with relevant learning outcomes.
- Employment Relations**
 - Provider of applicable advice, counselling to clubs and information on employment matters with an exclusive FREE HR tool for members.
- Member Services**
 - Provider of extensive advice on club matters and the facilitator of buyer advantage for clubs to benefit.
 - Provider of relevant information such as beer pricing and food safety templates.
- Community**
 - The developer of programs to bring clubs together to share information and support each other through our Member Connect programs.
- Administration**
 - To provide services in a cost effective manner whilst ensuring membership is affordable to all clubs.

The 96 year history of Clubs Victoria is significant for overcoming many challenges and now is no different; we need to face these challenges honestly, work together to grow for the betterment of the sector and ensure your association retains its reputation and relevance for its members. This is why your Council recommends working towards unification of the sector for the betterment of all clubs. Currently the market has a variety of opinions about what should have happened and who has been sullied; but, the voices we hear most say the sector must unify, and Clubs Victoria is working to make it happen.

Yet if unification does not happen, the strategy to return financial surety requires the development of relevant programs that engage the sector and provide services that maintain our services. Change is never easy, but in our case we must grow to ensure we retain our reputation and relevance.

Your leaders take the heritage of Clubs Victoria very seriously and they remain committed in providing leadership for you and the club sector in all matters that concern you. It has been a difficult year but necessary to ensure our senior position as the sector's leader is maintained for you.

I thank our corporate partners for their support during the year; our members for their confidence in the organisation and Council for their wise counsel.

It is vitally important to acknowledge the contribution of the former team and the efforts they made to ensure our members received relevant advice and services. Their contribution was important to the successful operation of the organisation and it was with regret the business model could not accommodate them. We thank them for their contribution



I thank our corporate partners for their support during the year; these commercial entities know the importance of clubs to their marketing mix and support Clubs Victoria as the peak body. It therefore is incumbent upon us all to ensure they get value from this association, I thank them for their ongoing support

I also wish to thank our members for their confidence in the organisation and retaining their membership during a challenging time and Council for their wise counsel.

RICHARD EVANS

Clubs Victoria Executive Director





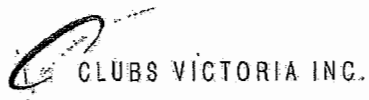
CLUBS VICTORIA INC.

Financial Report 2011



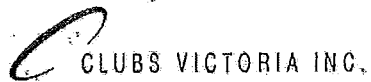
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012

	<u>Note</u>	<u>2012</u>	<u>2011</u>
		\$	\$
Revenue from Operating Income	2	794,076	1,134,982
Revenue from Non-Operating Income	2	40	15,065
Employee benefits	3	(211,894)	(715,310)
Operational expenses	4	(665,971)	(828,454)
Depreciation expenses	7	(1,450)	(5,923)
SURPLUS (DEFICIT) before IMPAIRMENT GAIN (LOSS)		(85,199)	(399,640)
Impairment Gain (Loss)		-	-
SURPLUS (DEFICIT) FOR THE YEAR		(85,199)	(399,640)
OTHER COMPREHENSIVE INCOME			
Reversal of Impairment Loss		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(85,199)	(399,640)



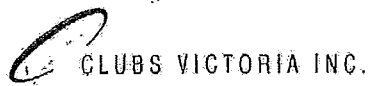
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

	<u>Note</u>	<u>2012</u>	<u>2011</u>
		\$	\$
<u>CURRENT ASSETS</u>			
Cash and cash equivalents	5	158,088	82,700
Trade and other receivables	6	45,001	102,640
TOTAL CURRENT ASSETS		203,089	185,340
<u>NON CURRENT ASSETS</u>			
Property, plant and equipment	7	1,880	3,330
TOTAL NON-CURRENT ASSETS		1,880	3,330
TOTAL ASSETS		204,969	188,670
<u>CURRENT LIABILITIES</u>			
Trade and other payables	8	167,986	226,787
Loans	9	30,000	-
Provisions	10	17,066	6,767
TOTAL CURRENT LIABILITIES		215,052	233,554
<u>NON CURRENT LIABILITIES</u>			
Loans	9	120,000	-
TOTAL CURRENT LIABILITIES		120,000	-
TOTAL LIABILITIES		335,052	233,554
NET ASSETS		(130,083)	(44,884)
<u>MEMBERSHIP FUNDS:</u>			
Accumulated Surplus (Deficit)		(130,083)	(44,884)
TOTAL MEMBERS FUNDS		(130,083)	(44,884)



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012

	<u>2012</u>	<u>2011</u>
	\$	\$
Total Equity at beginning of financial year	(44,884)	323,055
Available-for-sale investments revenue		
Impairment (Gain) Loss transferred to Profit or loss	-	31,701
ITEMS RECOGNISED DIRECTLY IN EQUITY	-	31,701
Comprehensive Income for the year	(85,199)	(399,640)
TOTAL RECOGNISED INCOME & EXPENSES FOR THE YEAR	(85,199)	(367,939)
Total Equity at the end of the financial year	<u>(130,083)</u>	<u>(44,884)</u>



CLUBS VICTORIA INC.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2012

	<u>Note</u>	<u>2012</u> \$	<u>2011</u> \$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Receipts from members & Commercial activities		880,058	1,134,982
Interest received		40	3,729
Investment Income		-	10,866
Other Income		-	470
Payments to suppliers and other contract services		(723,925)	(1,000,975)
Payments to Employees		(211,894)	(715,310)
Net GST Paid to the ATO		(18,891)	(19,107)
Net cash provided by operating activities	15	(74,612)	(585,345)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from Term deposits		-	69,545
Proceeds from sale of investments		-	420,969
Purchase of Fixed assets		-	(3,407)
Purchase of Assets held for resale		-	-
Net cash provided from investing activities		-	487,107
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from loan		150,000	-
Net cash provided from financing activities		150,000	-
Net increase/(decrease) in cash held		75,388	(98,238)
Cash at beginning of year		82,700	180,938
Cash at end of year		158,088	82,700



NOTES TO AND FORMING PART OF THE ACCOUNTS AS AT 30 JUNE 2012

Note 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are general purpose financial statements that have been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Fair Work (Registered Organisations) Act 2009 and requirements of the Associations Incorporations Act Vic 1981.

The financial report covers Clubs Victoria Inc. as an individual entity. Clubs Victoria Inc. is registered under the Fair Work (Registered Organisations) Act 2009, and is also incorporated in Victoria under the Associations Incorporations Act Vic 1981.

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

Basis of preparation

Reporting Basis and Conventions

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

Accounting Policies

a) Income Tax

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

b) Property, Plant & Equipment

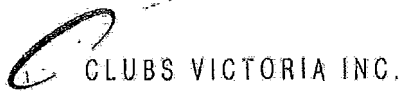
Each class of property, plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

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

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.



NOTES TO AND FORMING PART OF THE ACCOUNTS AS AT 30 JUNE 2012

Note 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate
Leasehold Improvements	2.5%
Office equipment	20%
Computer equipment	30%
Motor vehicles	20%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate at the end of each reporting period.

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

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

c) Leases

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

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

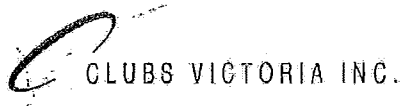
Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the association will obtain ownership of the asset or over the term of the lease.

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

d) Impairment of Assets

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

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



NOTES TO AND FORMING PART OF THE ACCOUNTS AS AT 30 JUNE 2012

Note 1 - STATEMENT OF SIGNIFICANT 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 transaction 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.

The association does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) 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, where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) 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.



NOTES TO AND FORMING PART OF THE ACCOUNTS AS AT 30 JUNE 2012

Note 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

(iii) 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.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

If during the period the association sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire category of held-to-maturity investment would be tainted and would be reclassified as available-for-sale.

(iv) 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 management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) Financial Liabilities

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

Fair value

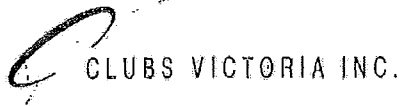
Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the association assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument below its original cost is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

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.



NOTES TO AND FORMING PART OF THE ACCOUNTS AS AT 30 JUNE 2012

Note 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of Assets

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

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

f) Employee Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

g) Cash and Cash Equivalents

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

h) Revenue

Revenue from Membership fees is recognised in the period in which it relates to.

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

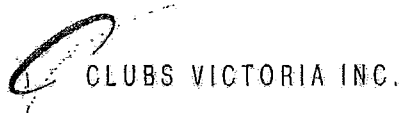
All revenue is stated net of the amount of goods and services tax (GST).

i) Goods and Services Tax (GST)

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

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

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



NOTES TO AND FORMING PART OF THE ACCOUNTS AS AT 30 JUNE 2012

Note 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Comparative Figures

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

When the association has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

k) 272 Information to be provided to members or General Manager

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

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

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

l) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

m) Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

n) Key Estimates

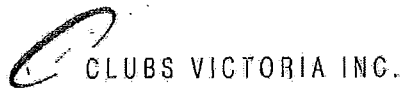
Impairment

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.

o) Key Judgements

Trade & Other Receivables

Included in the trade and other receivables balance at the end of the reporting period are amounts receivable from members for services provided. The committee have received undertakings from the member debtors that such amounts will be paid and therefore no provision for impairment has been made.



NOTES TO AND FORMING PART OF THE ACCOUNTS AS AT 30 JUNE 2012

Note 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) New Accounting Standards for Application in Future Periods

The Australian Accounting Standards Board has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the association has decided not to early adopt. A discussion of those requirements and their impact on the association is as follows:

AASB 9: Financial instruments (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013)

This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The association has not yet determined any potential impact on the financial statements.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised costs and those carried at fair value;
 - simplifying the requirements for embedded derivatives;
 - removing the tainting rules associated with held-to-maturity assets;
 - removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
 - allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
 - requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
 - requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit and loss.
- AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013)

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards - Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of the Tier 1, but contains significantly fewer disclosure requirements.

Since the association is a not-for-profit private sector entity, it qualifies for the reduced disclosure requirements for Tier 2 entities. It is anticipated that the association will take advantage of Tier 2 reporting at a later date.

23 January 2013

Fair Work Commission
11 Exhibition Street
MELBOURNE Vic 3000

Email: orgs@fwc.gov.au

Attn : Mr Robert Pfeiffer
Senior Advisor
Regulatory Compliance Branch

Dear Mr Pfeiffer

CLUBS VICTORIA INC
Lodgement of Financial Report for the Year Ended 30 June 2012
Fair Work (Registered Organisations) Act 2009 (the RO Act)

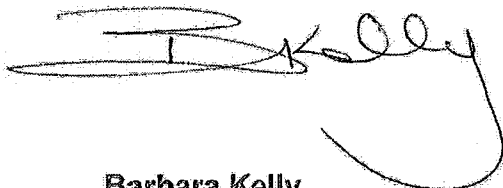
Please find attached Annual Report and audited Financial Accounts for the year ended 30 June 2012.

I confirm that the documents lodged are copies of the accounts emailed to the members, prior to its presentation to the Annual General Meeting held on 23 October 2012. The annual report and financials are also available to members on the Clubs Victoria web site on an ongoing basis, which were posted after the AGM.

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 Richard Evans the Executive Director on 1300 787 852 or email revans@clubsvic.org

Yours faithfully,



Barbara Kelly
President

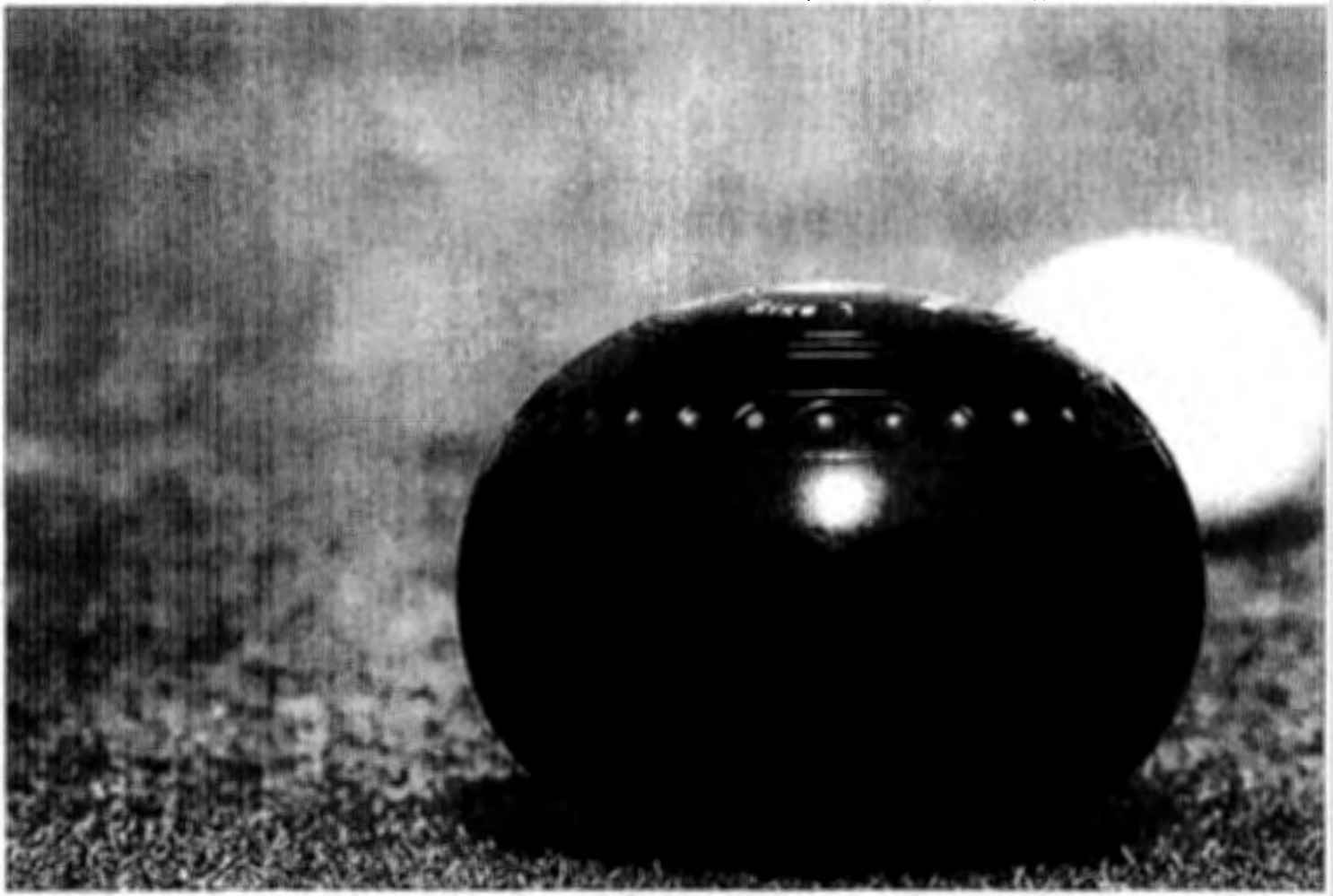


CLUBS VICTORIA INC.

Annual Report 2011/12

THE EASTERN GOLF CLUB





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*Front cover is the management team from Eastern Golf the Club of the Year

president's report

The 2011/12 Annual Report of Clubs Victoria marks the 96th year of operation for our organisation and like the changes placed on our clubs in recent times, heralds a time when we must consider the future directions of our organisation. The previous four years at Clubs Victoria has seen significant upheaval as a result of reduced revenues from the gaming operators and the effects of the fragmentation of the sector.

Following on from the changes last year the Clubs Victoria Council and management have prioritised the stability of the organisation and to ensure the membership offering is both relevant and valuable.

Our focus has widened to include issues relevant to all Licenced Clubs in Victoria, not just those with gaming. And whilst making that point we can see the quality of the improved HR and IR services, of our Club Connect magazine and the education and networking opportunities through Clubs Victoria are second to none.

However it is the advocacy needs of Clubs that are the most important. It will only be through the combined strength of the Clubs that we can ensure the needs of our communities are protected. The success of the Clubs Australia "It's un-Australian" campaign against mandatory pre-commitment showed the combined strength of our Club network and I must thank all of our members who took part in the campaign for their time and energy. The changed gaming environment in Victoria is one example of the need for Clubs to be united for our own benefit. It has been obvious to those in the gaming industry that the government is still grappling with the process it started when it announced the changes to pokies ownership what now seems decades ago. We must provide our input to ensure the transition to this new gaming system, that will be hugely beneficial to Clubs, doesn't strike the hurdles in the future that it has struck in the past.

In my report last year I spoke of the need to mend bridges from the past and the most significant of these has been the fracturing of the Club industry with two representative bodies, namely Clubs Victoria and Community Clubs Association of Victoria. I am pleased to announce the two bodies are in discussions over a unification process, and whilst things won't happen overnight, I am hopeful that eventually a combined body will better represent the Club industry in Victoria.

One of the highlights of every year is the Annual Clubs Victoria Achievement Awards Night at Crown and this year was no exception. This year's Club of the Year was awarded to Eastern Golf Club. Eastern GC has a rich history and contribution to club life in Victoria and has exciting plans for the future. Congratulations also go to the Metropolitan Club of the Year, the RACV City Club and the Regional Club of the Year Kyneton Bowling Club.

We recently announced the 2012 Chefs Table Awards at the RACV City Club. This year's award was a fiercely contested affair with the Gold Trophy awarded to the Melbourne Cricket Club in the Fine Dining section and to Patterson River Country Club in the Good Food section. Well done to all of the entrants.

With such a challenging year, I must thank the Clubs Victoria Council which has worked on a range of issues and I must thank them for their continued time and efforts. Whilst on this point I noted, with disappointment, the lack of nominations for the vacant Council positions this year. Most of us find similar situations at our Clubs in recent times and I know we are all struggling for time these days, but I remind you all of the importance of the task at hand and the need to get involved.

I must thank our Corporate Sponsors for their continued support of Clubs Victoria. Our member Clubs are reminded of the importance of these sponsors and their impact on the provision of services to them. Please remember this support when looking for suppliers in future. Special recognition goes to our Corporate partners at Mercury, who went 'live' in over 45 Clubs across the state on August 16th 2012.

To our Executive Director, Richard Evans, my thanks for taking on such a challenge and continuing to offer solutions and innovations to Clubs Victoria members through a difficult period.

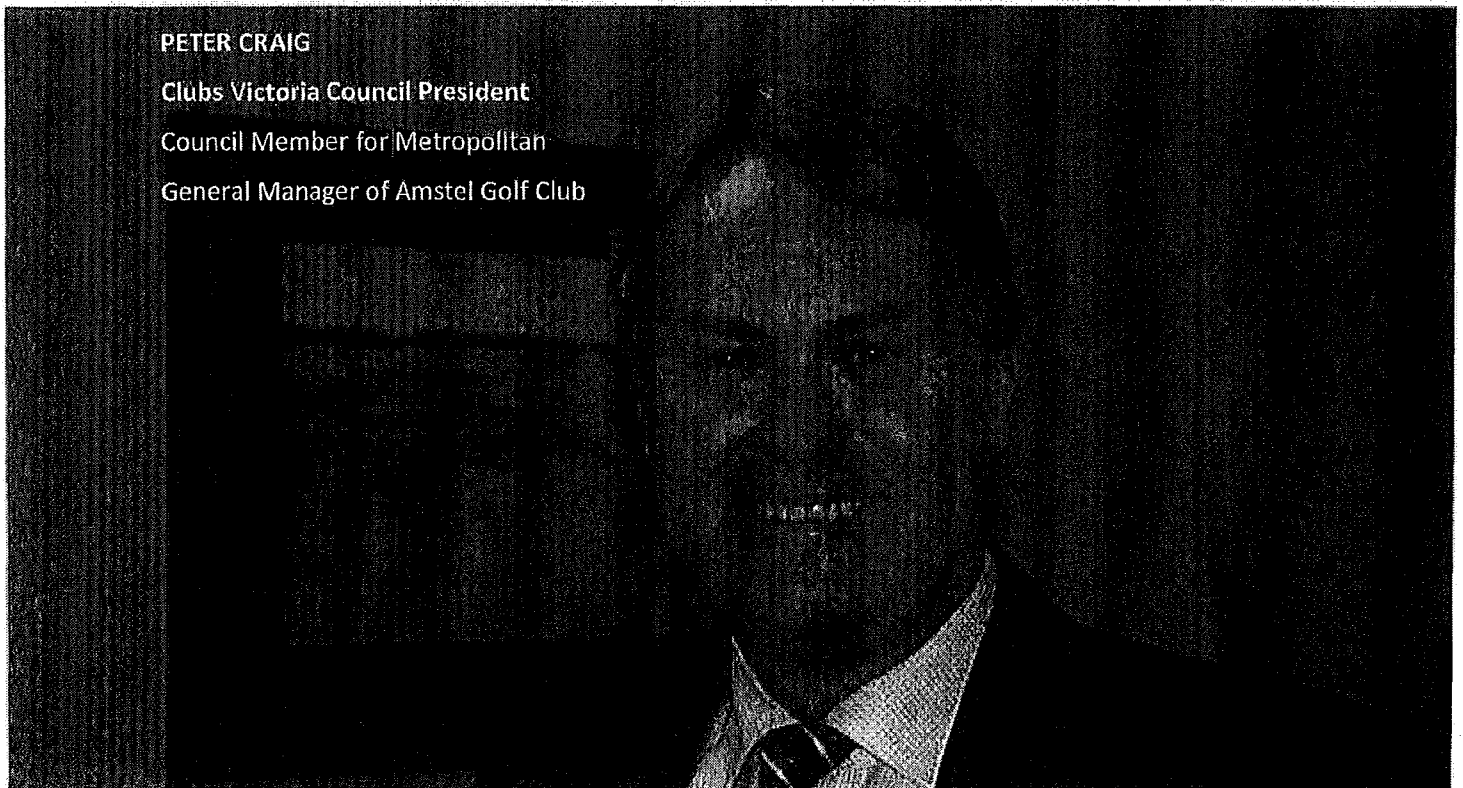
Lastly, and most importantly, I must thank our member Clubs for their continued support throughout 2011/12; a Club is only as strong as its members and on this count Clubs Victoria is no different to your Club, or mine.

PETER CRAIG

Clubs Victoria Council President

Council Member for Metropolitan

General Manager of Amstel Golf Club



treasurer's report

It is true that if you spend more than you earn then you will go broke. For the last four years this has been true for Clubs Victoria: we have spent more than we have earned, but this excessive spending will be no more.

It is disappointing to report that we present a loss of \$85,199; however, further analysis will indicate this is a better result than the previous three years. Indeed, it is a \$314,441 improvement (80%) on the previous year which in itself was an improvement on the previous two years' results. We have turned the corner and we now forecast surpluses for the coming years.

This year we have focused on reducing expense and we can see this has been successful in most categories. The expense lines that impact us most is events and the notion that we should subsidize events for members. In the past, when we have had significant revenue from the Licensed Gaming Operators we were able to provide member subsidises and we retained that generous model this year. However, we cannot sustain that model any longer and we will be seeking to reduce this expense line this year.

I remain concerned about the seepage of membership from Clubs Victoria and question whether this is a trend. If it is, we need to refocus the brand as we are, after all, the registered employer organisation for licensed clubs; and, therefore, clubs should reconsider their support for their voice. Whilst it is true clubs may consider Clubs Victoria was a socially driven organisation in the past, clearly, the advocacy we have provided across many policy areas far out ways the perception we should be an organisation based on personality; no, we need advocacy and we must stick together and this is the very reason Clubs Victoria exists. We need to ensure clubs understand why we need unity in the market, as it is a major benefit of membership; and, this is the reason I fully support the campaign for market unification.



Our cash management is secured by overdraft facilities raised from Clubs NSW under generous arrangements. We will therefore continue to maintain our services this coming year; we will focus on reducing costs further to ensure we gain a surplus. Not for Profits can sometimes forget they need to achieve profits (surplus) and Clubs Victoria had forgotten that concept as we have experienced four years of losses. We reworked the business model two years ago with a focus on our core services whilst reducing expense. We have more to do, but our expectation is that we have now got the right model in place. It has been hard; we have been severely criticised by many in the club sector for changing the model; we have had some former members prefer the previous losses to the new model focused on services; but, as any club manager or club director would realise, we cannot continue to lose member funds. We decided two years ago to change the model and whilst we have more to do, we are confident we can sustain our services so important for all of us.

Feel assured we act in the best interest of members and indeed, the broader licensed club market.

BYRON SMITH

Clubs Victoria Treasurer

Council Member for Metropolitan

Former General Manager of Keysborough Golf Club



**MELBOURNE CRICKET CLUB
WINNERS OF THE 2011 CHEF'S TABLE
IN VICTORIA AND NATIONALLY**



NOTES TO AND FORMING PART OF THE ACCOUNTS AS AT 30 JUNE 2012

Note 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- AASB 2010-4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (AASB 1, AASB 7, AASB 101 & AASB 134 and interpretation 13) (applicable for annual reporting periods commencing on or after 1 January 2011)

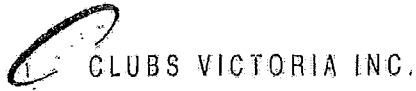
This Standard details numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. Key changes include:

- clarifying the application of AASB 108 prior to an entity's first Australian Accounting Standard financial statements;
- AASB 7 is amended to add an explicit statement that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments;
- amending AASB 7 to add an explicit statement that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments;
- amending AASB 101 to clarify that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income is required to be presented, but is permitted to be presented in the statement of changes in equity or in the notes;
- adding a number of examples to the list of events or transactions that require disclosure under AASB 134.

NOTES TO AND FORMING PART OF THE ACCOUNTS AS AT 30TH JUNE 2012

	<u>2012</u>	<u>2011</u>
	\$	\$
NOTE 2 REVENUE		
Revenue from Operating Activities		
Members subscriptions	383,523	463,110
Sponsorships	231,958	248,655
Other Fees & Services	174,977	378,248
Recruitment Income	3,618	44,969
Sub total from Operating Activities	794,076	1,134,982
Revenue from Non-Operating Activities		
Investment Income	-	10,866
Interest received	40	3,729
Profit (Loss) on Sale of Investments	-	470
Sub total from Non-Operating Activities	40	15,065
TOTAL REVENUE	<u>794,116</u>	<u>1,150,046</u>
NOTE 3 EMPLOYEE BENEFITS		
Salaries & Wages	184,091	421,420
Severance / Notice Payments	-	122,681
Superannuation	16,560	42,684
WorkCover	(302)	4,613
Payroll & Fringe Benefits Tax	(11,278)	39,462
Recruitment costs	-	23,593
Staff Expenses, Travel, Seminars & Training	22,823	60,857
TOTAL EMPLOYEE BENEFITS	<u>211,894</u>	<u>715,310</u>
NOTE 4 OPERATIONAL EXPENSES		
Events & Seminars costs	257,104	275,366
Fee for Service Costs	39,708	50,010
Licence fees, Telephone and external support	109,826	90,417
Administration	146,908	139,335
Fees & Subscriptions	-	-
Occupancy	11,156	86,832
Other Facility expenses	47,078	72,579
IT Expenses	14,247	7,461
Donations	396	1,818
Finance & Legal Costs	39,547	104,636
TOTAL OPERATIONAL EXPENSES	<u>665,971</u>	<u>828,454</u>
NOTE 5 CASH AND CASH EQUIVALENTS		
Petty cash float	400	400
Cash at bank	157,688	54,700
Term Deposits	-	27,600
TOTAL CASH AND CASH EQUIVALENTS	<u>158,088</u>	<u>82,700</u>
NOTE 6 TRADE AND OTHER RECEIVABLES		
Trade debtors	45,001	102,640
TOTAL TRADE AND OTHER RECEIVABLES	<u>45,001</u>	<u>102,640</u>

Current trade receivables are non-interest bearing loans and generally receivable within 60 days. A provision for impairment is recognised against subscriptions where there is objective evidence that an individual trade receivable is impaired. No impairment was required at 30 June 2012.



CLUBS VICTORIA INC.

NOTES TO AND FORMING PART OF THE ACCOUNTS AS AT 30TH JUNE 2012

2012 2011
\$ \$

Credit risk

The association has no significant concentrations of credit risk with respect to any single counterparty or group of counterparties. The main source of credit risk to the association is considered to relate to the class of assets described as subscriptions receivable.

The following table details the association's subscriptions receivable exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the association and the member or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining their willingness to pay and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the association. All members late in paying their subscription are potentially subject to a late fee.

The balances of receivables that remain within the initial terms (as detailed in the table) are considered to be of high credit quality.

	Gross Amt	Past due and Impaired	Past due but not impaired (Days Overdue)		
			<30	31-90	>90
2012	\$	\$	\$	\$	\$
Subscriptions receivables	-	-	-	-	-
Other receivables	45,001	-	12,130	3,540	29,331
Total	45,001	-	12,130	3,540	29,331
	Gross Amt	Past due and Impaired	Past due but not impaired (Days Overdue)		
			<30	31-90	>90
2011	\$	\$	\$	\$	\$
Subscriptions receivables	-	-	-	-	-
Other receivables	102,640	-	36,605	17,701	48,334
Total	102,640	-	36,605	17,701	48,334

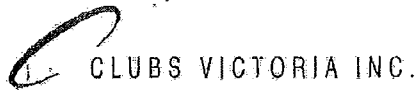
NOTE 7 PROPERTY, PLANT AND EQUIPMENT

Office equipment

At cost	11,185	11,185
Accumulated depreciation	(9,305)	(7,855)
	<u>1,880</u>	<u>3,330</u>

Leasehold improvements

At cost	-	-
Accumulated depreciation	-	-
	<u>-</u>	<u>-</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u><u>1,880</u></u>	<u><u>3,330</u></u>



CLUBS VICTORIA INC.

NOTES TO AND FORMING PART OF THE ACCOUNTS AS AT 30TH JUNE 2012

	2012 \$	2011 \$	
Movements in carrying amounts			
Movements in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current year			
	Leasehold Improvements	Office equipment	Total
	\$	\$	\$
Carrying amount at 01/07/2010	3,216	17,231	20,447
Additions	-	3,407	3,407
Disposals	(3,128)	(11,473)	14,601.00
Depreciation expense	(88)	(5,835)	(5,923)
Carrying amount as at 30/06/2011	-	3,330	3,330
Additions	-	-	-
Disposals	-	-	-
Depreciation expense	-	(1,450)	(1,450)
Carrying amount as at 30/06/2012	-	1,880	1,880

NOTE 8 TRADE AND OTHER PAYABLE

Creditors and accrued expenses	23,535	78,415
Prepaid Income	144,451	148,372
TOTAL TRADE AND OTHER PAYABLES	167,986	226,787

NOTE 9 FINANCIAL LIABILITIES

CURRENT

Loan - Clubs NSW	30,000	-
	30,000	-

NON CURRENT

Loan - Clubs NSW	120,000	-
	120,000	-

TOTAL FINANCIAL LIABILITIES

150,000 **-**

An unsecured loan of \$150,000 was provided from Clubs NSW Inc on 21 June 2012. This loan was provided on an interest free basis, whereby principal repayments of \$30,000 per annum are due from June 2013 to June 2017.

NOTE 10 PROVISIONS

CURRENT

Provision for annual leave	17,066	6,767
Provision for long service leave	-	-
	17,066	6,767

NON CURRENT

Provision for long service leave	-	-
	-	-

TOTAL PROVISIONS

17,066 **6,767**

NOTE 11 FINANCIAL ASSETS AVAILABLE FOR SALE REVALUATION RESERVE

Balance at the beginning of the reporting period	-	(31,701)
Valuation gain/(loss) recognised	-	-
Cumulative (gain)/loss transferred to Income Statement on disposal of financial assets	-	31,701
Balance at the end of the reporting period	-	-



CLUBS VICTORIA INC.

NOTES TO AND FORMING PART OF THE ACCOUNTS AS AT 30TH JUNE 2012

NOTE 12 FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

Clubs Victoria Inc.'s principle 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 to each class of financial asset financial liability and equity instrument are disclosed in note 1 to the financial statements.

The totals for each category of financial instruments, measured in accordance with AASB 139, are as follows:

	Note	Carrying Amount 2012 \$	Carrying Amount 2011 \$
Financial Assets			
Cash and Cash Equivalent	5	158,088	82,700
Trade and Other Receivables	6	45,001	102,640
Total Financial Assets		203,089	185,340
Financial Liabilities			
At amortised cost			
Trade Creditors	8	23,535	78,415
Loans - Clubs NSW	9	150,000	-
Total Financial Liabilities		173,535	78,415

Specific Financial Risk Exposures and Management

(a) Interest Rate Risk

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

(b) 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.

NOTES TO AND FORMING PART OF THE ACCOUNTS AS AT 30TH JUNE 2012

Note 12 - FINANCIAL INSTRUMENTS (Continued)

Financial liability and financial assets maturity analysis

	Within 1 year		1 to 5 years		Over 5 years		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
	\$	\$	\$	\$	\$	\$	\$	\$
Financial Liabilities due for payment:								
Trade creditors	23,535	78,415	-	-	-	-	23,535	78,415
Loans payable	-	-	150,000	-	-	-	150,000	-
Total contractual outflows	23,535	78,415	150,000	-	-	-	173,535	78,415
Total expected outflows	23,535	78,415	150,000	-	-	-	173,535	78,415
Financial Assets - Cash flow realisable								
Cash and cash equivalents	158,088	82,700	-	-	-	-	158,088	82,700
Trade & Other receivables	45,001	102,640	-	-	-	-	45,001	102,640
Available-for-sale investments	-	-	-	-	-	-	-	-
Total anticipated inflows	203,089	185,340	-	-	-	-	203,089	185,340
Net (outflow)/inflow on financial instruments	179,554	106,925	-	-	-	-	29,554	106,925

(c) Credit Risk

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

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

(d) 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.

(e) 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 statement of financial position. 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	Net Fair	Carrying	Net Fair
	Amount	value	Amount	value
	2012	2012	2011	2011
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalent	158,088	158,088	82,700	82,700
Trade & Other receivables	45,001	45,001	102,640	102,640
Total Financial Assets	203,089	203,089	185,340	185,340
Financial Liabilities				
Trade creditors	23,535	23,535	78,415	78,415
Loans payable	150,000	150,000	-	-
Total Financial Liabilities	173,535	173,535	78,415	78,415



NOTES TO AND FORMING PART OF THE ACCOUNTS AS AT 30TH JUNE 2012

Note 12 - FINANCIAL INSTRUMENTS (Continued)

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 costs which approximates to fair value.

For listed available-for-sale financial assets, closing quoted bid prices at reporting date are used.

Interest rate risk sensitivity analysis

At 30 June 2012, the effect of surplus (deficit) and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2012	2011
	\$	\$
Changes in surplus (deficit)		
- Increase of 2%	3,154	1,102
- Decrease of 2%	(3,154)	(1,102)
Changes in equity		
- Increase of 2%	3,154	1,102
- Decrease of 2%	(3,154)	(1,102)



NOTES TO AND FORMING PART OF THE ACCOUNTS AS AT 30TH JUNE 2012

NOTE 17 CONTINGENT LIABILITIES AND ASSETS

Contingent Liability

There are no contingent liabilities

Contingent Asset

The association disposed of intellectual property to Project Mercury in return for sponsorship to the value of \$150,000 per annum for a period of 5 years commencing August 2012 with an option for a further 5 year period. Revenue in relation to the sale of intellectual property has not been recognised in the financial statements as it cannot be reliably measured.

NOTE 18 EVENTS AFTER THE REPORTING PERIOD

There were no significant events subsequent to the reporting period.

NOTE 19 FINANCIAL POSITION OF CLUBS VICTORIA INC.

Clubs Victoria Inc. had a deficiency in net assets of \$130,083 as at 30 June 2012. The association incurred a net loss for the year ended 30 June 2012 of \$85,199. This was the result of the previous business model that was structured with reliance of recurrent revenue which was lost due to cancellation and a heavy expenditure model in comparison with subsequent revenue. The business model was significantly changed during the year and recovered the organisation from greater loss.

The Council Members of Clubs Victoria Inc. continue to monitor the financial position of the association to ensure that it can pay its debts as and when they fall due.

On the basis of the financial position outlined above, we believe that Clubs Victoria Inc. can continue as a going concern.

Council members continue to take the following steps to improve the financial position of Clubs Victoria Inc:

- To monitor the renewal of members subscriptions to improve the profitability of the association, and
- Continue to seek organisations for additional sponsorship
- Maintain a reduced expenditure model until revenues improve.



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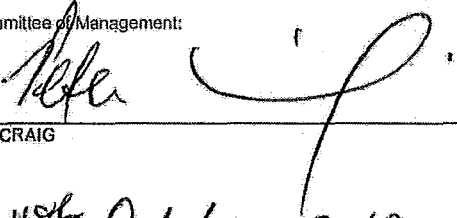
COMMITTEE OF MANAGEMENT STATEMENT

On 11th October 2012 at a meeting of the Committee of Management of Clubs Victoria Inc. the Financial Report was tabled, which included the following resolutions and it was resolved to accept the Financial Report including the following resolutions in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2012:

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, Fair Work Australia.
- c) the financial statements and notes presents fairly 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; 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 Act and the regulations; and
 - (iv) the information sought in any request of a member of the reporting unit or the General Manager duly made under section 272 of the Act has been furnished to the member or the General Manager; and
 - (v) there has been compliance with any order for inspection of financial records made by Fair Work Australia under section 273 of the Act.

For Committee of Management:


PETER CRAIG

Dated 11th October 2012



COMMITTEE'S OPERATING REPORT

Your committee members submit the financial report of Clubs Victoria Inc. for the year ended 30th June 2012.

COMMITTEE MEMBERS

<u>Position</u>	<u>Name</u>	<u>Elected</u>	<u>Term Expires</u>
President	Peter Craig	2008	2014
Vice President Metro	Barbara Kelly	2009	2012
Vice President Country	Neville Whitely	2009	2012
Treasurer	Byron Smith	2010	2014
Metropolitan	Ian Carlile	2009	2012
CBD Region	Joe Giacobbe	2011	2014
Country (Area 1)	Brendan Bell	2010	2013
Country (Area 2)	Vacant		
Country (Area 3)	Michael Sweeney	2009	2012
Country (Area 4)	Stephen Hodge	2011	2014
Country (Area 5)	Mark Griffiths	2010	2013
Country (Area 6)	Neville Whitley	2009	2012

PRINCIPAL ACTIVITIES

The principal activities of the association were:

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

OPERATING RESULTS

The loss from ordinary activities amounted to (\$85,199).

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

There have been no other significant changes.

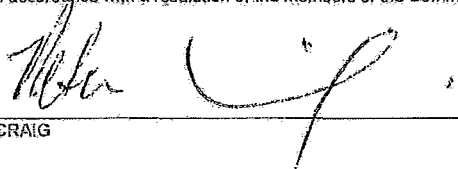
A member may resign in accordance with Rule 10 of the organisation by giving written notice to the Executive Director.

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

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

The number of full-time or full-time equivalent employees at the end of the financial year is 1.

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


PETER CRAIG

Dated 11th Oct. 2012

Report on the Financial Report

We have audited the accompanying financial statements of Clubs Victoria Incorporated which comprises the statement of financial position as at 30 June 2012 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by members of the committee.

Committee's Responsibility for the Financial Statements

The committee of the association is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the requirements of the Associations Incorporations Act 1981 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 statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, 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.

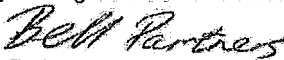
Auditor's Opinion

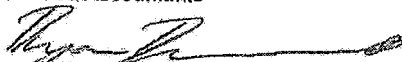
In our opinion the general purpose financial report:

- a) is presented fairly in accordance with the applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009
- b) is in accordance with the Associations Incorporations Act 1981, including, giving a true and fair view of the association's financial position as at 30 June 2012 and its performance for the year ended on that date, and complying with Australian Accounting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 19 in the financial statements which indicates that Clubs Victoria Inc. incurred a net loss of \$85,199 during the year ended 30 June 2012 and, as of that date, the association's current liabilities exceeded its total assets by \$130,083. These conditions, along with other matters as set forth in Note 19, indicate the existence of a material uncertainty which may cast significant doubt about the association's ability to continue as a going concern.


Bell Partners
Chartered Accountants


Ryan H Dummett
Partner

Dated: 17th OCTOBER 2012

Level 7, 468 St Kilda Road, Melbourne Vic 3004