



14 February 2019

Ms Barbara Kelly  
President  
Clubs Victoria Inc.

By e-mail: [ccv@ccv.net.au](mailto:ccv@ccv.net.au)

Dear Ms Kelly

**Clubs Victoria Inc.**  
**Financial Report for the year ended 30 June 2018 - FR2018/43**

I acknowledge receipt of the financial report for the year ended 30 June 2018 for Clubs Victoria Inc. (**the reporting unit**). The financial report was lodged with the Registered Organisations Commission (**ROC**) on 21 December 2018.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Whilst the 2018 report has been filed the following should be addressed in the preparation of the next financial report.

**1. Timescale requirements**

As you are aware, an organisation is required under the RO Act to undertake certain steps in accordance with specified timelines. Information about these timelines can be found on the ROC website. In particular, I draw your attention to the fact sheet titled *Financial reporting process* which explains the timeline requirements, and the fact sheet titled *Summary of financial reporting timelines* which sets out the timelines in diagrammatical format.

I note that the following timescale requirements were not met:

Documents must be lodged with ROC within 14 days after general meeting

Section 268 of the RO Act requires a copy of the full report and the designated officer's certificate to be lodged with the ROC within 14 days after the general meeting of members referred to in section 266. The designated officer's certificate indicates that this meeting occurred on 30 November 2018. If this is correct the documents should have been lodged with the ROC by 14 December 2018.

As indicated above, the full report was lodged on 21 December 2018.

If this date is correct, the reporting unit should have applied to the Commissioner for an extension of time to allow a longer period to lodge the required documents.

Please note that section 268 is a civil penalty provision.

## **2. Operating report**

### Prescribed information in operating report

Regulation 159(c) requires an operating report to contain the name of each person who has been a member of the committee of management of the reporting unit at any time during the reporting period, and the period for which he or she held such a position. The ROC takes the words “at any time” to mean that all persons, whether they held their position for the full year or for part of the year, must be included.

I note that the name Mike Sweeney appeared in the previous year’s operating report but did not appear in this year’s operating report. There was no indication that Mike Sweeney had resigned during, or at the end of, the previous year, and without any such indication the question arises whether this name have been inadvertently omitted.

In future, please ensure that all members of the committee of management are included in the operating report.

## **3. Auditor’s statement**

### Audit scope to include officer’s declaration statement

Where nil activity disclosures are contained in an officer’s declaration statement, in accordance with reporting guideline 21, the officer’s declaration statement also forms part of a general purpose financial report prepared under section 253 of the RO Act (see subsection 253(2)(c) of the RO Act.)

Please also note that an officer’s declaration statement must, where one is prepared, be identified by title in the auditor’s statement in accordance with paragraph 24(c) of Australian Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report*.

An officer’s declaration statement was included in the copy of the documents lodged with the ROC but the auditor did not refer to the statement in the auditor’s report.

In future, where the financial report contains an officer’s declaration statement, please ensure that this statement is included within the scope of the audit.

### Audit scope to include subsection 255(2A) report

A general purpose financial report prepared under section 253 of the RO Act includes the expenditure report required to be prepared under subsection 255(2A) as prescribed by reporting guideline 22.

Please note that the subsection 255(2A) report must be identified by title in the auditor’s statement in accordance with paragraph 24(c) of Australian Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report*.

A subsection 255(2A) report was included in the documents lodged with the ROC but the auditor did not refer to the report in the auditor’s report.

In future, please ensure that the subsection 255(2A) report is included within the scope of the audit.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at [ken.morgan@roc.gov.au](mailto:ken.morgan@roc.gov.au)

Yours faithfully

A handwritten signature in black ink, appearing to read 'Ken Morgan', is positioned above the printed name.

**KEN MORGAN**  
**Financial Reporting Specialist**  
**Registered Organisations Commission**

**Clubs Victoria Inc.**

s.268 *Fair Work (Registered Organisations) Act 2009*

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

Certificate for the year ended 30 June 2018

I Barbara Kelly being the President of Clubs Victoria Inc. certify:

- that the documents lodged herewith are copies of the full report for Clubs Victoria Inc. for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 2 November 2018; and
- that the full report was presented to a *general meeting of members* of Clubs Victoria Inc. on 30 November 2018 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer: 

Name of prescribed designated officer: Barbara Kelly

Title of prescribed designated officer: President

Dated: 7. 12. 18



## **Financial report**

**For the year ended 30 June 2018**

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

### **Report on the Audit of the Financial Report**

#### **Opinion**

We have audited the financial report of Clubs Victoria Inc. (the Reporting Unit), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2018, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management<sup>6</sup> Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Clubs Victoria Inc. as at 30 June 2018, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act).

We declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

#### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. We are independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### **Information Other than the Financial Report and Auditor's Report Thereon**

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Committee of Management for the Financial Report**

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Financial Report**

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for our audit opinion.



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

I declare that I am an approved auditor, a member of Chartered Accountants Australia New Zealand and hold a current Public Practice Certificate.

Handwritten signature in blue ink that reads "Ashfords Audit and Assurance".

Ashfords Audit and Assurance Pty Ltd  
Chartered Accountants

Handwritten signature in blue ink that reads "Ryan H. Dummett".

Ryan H. Dummett  
Partner

Dingley  
2 November 2018

Registration number (as registered by the RO Commissioner under the RO Act): AA2018/1

**Clubs Victoria Inc.**

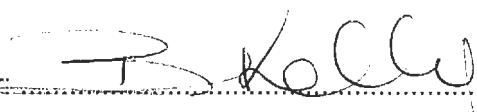
**REPORT REQUIRED UNDER SUBSECTION 255(2A)**

*for the year ended 30 June 2018*

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2018.

Descriptive form

| <b>Categories of expenditures</b>  | <b>2018<br/>\$</b> | <b>2017<br/>\$</b> |
|--|--------------------|--------------------|
| Remuneration and other employment-related costs and expenses - employees | -                  | -                  |
| Advertising  | -                  | -                  |
| Operating costs  | <b>6,141</b>       | 19,297             |
| Donations to political parties   | -                  | -                  |
| Legal costs  | -                  | -                  |

Signature of prescribed designated officer: 

Name of prescribed designated officer: Barbara Kelly

Title of prescribed designated officer: President

Dated: 2.11.18

## Clubs Victoria Inc.

### OPERATING REPORT

for the year ended 30 June 2018

The Committee of Management presents its operating report on the Reporting Unit for the year ended 30 June 2018.

#### **Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year**

The principal activities of the reporting unit were:

- to provide industrial relations, human resources, financial and general compliance support to members
- to provide facilities to members of the reporting unit

#### **Significant changes in financial affairs**

The reporting unit has been dormant in recent years whilst it completes an amalgamation with Community Clubs Associations of Victoria Inc. There has been no change in the financial affairs of the organisation during the year.

#### **Right of members to resign**

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

#### **Trustee**

*No officer or member of the organisation is a trustee or a director of a company that is a superannuation fund trustee, where the criterion for them holding such a position is dependent on them holding such a position in a registered organisation.*

#### **Number of members**

The number of members recorded as at the reporting date in the schedule maintained in accordance with section 230 of the Fair Work (Registered Organisations) Act 2009 ('the Act') is 173.

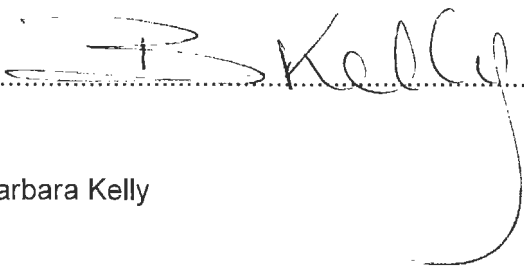
#### **Number of employees**

The reporting unit did not employ any full-time or full-time equivalent employees at the end of the reporting period.

#### **Names of Committee of Management members and period positions held during the financial year**

| Position                   | Name          | Term of Service within period |
|----------------------------|---------------|-------------------------------|
| President                  | Barbara Kelly | 01/07/2017-30/06/2018         |
| Councillor<br>Metropolitan |               |                               |
| Secretary                  | Mark Dalmau   | 01/07/2017-30/06/2018         |
| Councillor CBD             |               |                               |

|  |                 |                       |
|--|-----------------|-----------------------|
| Treasurer<br>Councillor Country<br>Area 2    | Anne Canterbury | 01/07/2017-30/06/2018 |
| Vice President<br>Councillor<br>Metropolitan | Leon Ross       | 01/07/2017-30/06/2018 |
| Councillor<br>Metropolitan                   | Philip Dentith  | 01/07/2017-30/06/2018 |
| Councillor<br>Metropolitan                   | Ross Dunlop     | 01/07/2017-30/06/2018 |
| Acting Executive<br>Director                 | Neill Murray    | 01/07/2017-01/05/2018 |
| Councillor<br>Metropolitan                   | Vacant          |                       |
| Councillor<br>Metropolitan                   | Vacant          |                       |
| Councillor<br>Metropolitan                   | Vacant          |                       |
| Councillor<br>Metropolitan                   | Vacant          |                       |
| Councillor Country 1                         | Vacant          |                       |
| Councillor Country 4                         | Peter Wilson    | 01/07/2017-30/06/2018 |
| Councillor Country 5                         | Rod Bye         | 01/07/2017-30/06/2018 |
| Councillor Country 6                         | Stephen Cheater | 01/07/2017-30/06/2018 |

Signature of prescribed designated officer:  .....

Name of prescribed designated officer: Barbara Kelly

Title of prescribed designated officer: President

Dated: 2.11.18 .....

**Clubs Victoria Inc.**

**COMMITTEE OF MANAGEMENT STATEMENT**

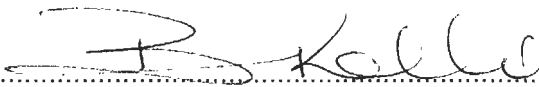
for the year ended 30 June 2018

On 2/11/ 2018 Barbara Kelly, President of Clubs Victoria Inc. passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2018:

The president declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
  - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
  - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the Committee of Management.

Signature of prescribed designated officer:  .....

Name of prescribed designated officer: Barbara Kelly

Title of prescribed designated officer: President

Dated: ..... 2.11.18 .....

**Clubs Victoria Inc.**

**STATEMENT OF COMPREHENSIVE INCOME**

*for the year ended 30 June 2018*

|  | Notes | 2018<br>\$     | 2017<br>\$      |
|--|-------|----------------|-----------------|
| <b>Revenue</b>                                 |       |                |                 |
| Interest                                       | 3C    | 4              | 8               |
| <b>Total revenue</b>                           |       | <u>4</u>       | <u>8</u>        |
| <b>Total income</b>                            |       | <u>4</u>       | <u>8</u>        |
| <br>   |       |                |                 |
| <b>Expenses</b>                                |       |                |                 |
| Administration expenses                        | 4D    | (3,141)        | (44,126)        |
| Audit fees                                     | 14    | (3,000)        | (6,461)         |
| <b>Total expenses</b>                          |       | <u>(6,141)</u> | <u>(50,587)</u> |
| <b>Surplus (deficit) for the year</b>          |       | <u>(6,137)</u> | <u>(50,579)</u> |
| <br>   |       |                |                 |
| <b>Other comprehensive income</b>              |       | -              | -               |
| <b>Total comprehensive income for the year</b> |       | <u>(6,137)</u> | <u>(50,579)</u> |

The above statement should be read in conjunction with the notes.

**Clubs Victoria Inc.**  
**STATEMENT OF FINANCIAL POSITION**  
*as at 30 June 2018*

|   | Notes | 2018<br>\$    | 2017<br>\$    |
|---|-------|---------------|---------------|
| <b>ASSETS</b>                           |       |               |               |
| <b>Current Assets</b>                   |       |               |               |
| Cash and cash equivalents               | 5A    | 78,107        | 78,244        |
| Trade and other receivables*            | 5B    | -             | -             |
| <b>Total current assets</b>             |       | <b>78,107</b> | <b>78,244</b> |
| <b>Non-Current Assets</b>               |       |               |               |
| <b>Total non-current assets</b>         |       | <b>-</b>      | <b>-</b>      |
| <b>Total assets</b>                     |       | <b>78,107</b> | <b>78,244</b> |
| <b>LIABILITIES</b>                      |       |               |               |
| <b>Current Liabilities</b>              |       |               |               |
| Trade payables*                         | 7A    | 11,000        | 5,000         |
| Other payables*                         | 7B    | -             | -             |
| <b>Total current liabilities</b>        |       | <b>11,000</b> | <b>5,000</b>  |
| <b>Non-Current Liabilities</b>          |       |               |               |
| <b>Total non-current liabilities</b>    |       | <b>-</b>      | <b>-</b>      |
| <b>Total liabilities</b>                |       | <b>11,000</b> | <b>5,000</b>  |
| <b>Net assets</b>                       |       | <b>67,107</b> | <b>73,244</b> |
| <b>EQUITY</b>                           |       |               |               |
| Retained earnings (accumulated deficit) |       | 67,107        | 73,244        |
| <b>Total equity</b>                     |       | <b>67,107</b> | <b>73,244</b> |

The above statement should be read in conjunction with the notes.

**Clubs Victoria Inc.****STATEMENT OF CHANGES IN EQUITY***for the year ended 30 June 2018*

|   | Notes | Retained earnings | Total equity  |
|---|-------|-------------------|---------------|
|   |       | \$                | \$            |
| <b>Balance as at 1 July 2016</b>              |       | 123,823           | 123,823       |
| Adjustment for errors                         |       | -                 | -             |
| Adjustment for changes in accounting policies |       | -                 | -             |
| Surplus / (deficit)                           |       | (50,579)          | (50,579)      |
| Other comprehensive income                    |       | -                 | -             |
| Transfer from retained earnings               |       | -                 | -             |
| <b>Closing balance as at 30 June 2017</b>     |       | <b>73,244</b>     | <b>73,244</b> |
| Adjustment for errors                         |       | -                 | -             |
| Adjustment for changes in accounting policies |       | -                 | -             |
| Surplus / (deficit)                           |       | (6,137)           | (6,137)       |
| Other comprehensive income                    |       | -                 | -             |
| Transfer from retained earnings               |       | -                 | -             |
| <b>Closing balance as at 30 June 2018</b>     |       | <b>67,107</b>     | <b>67,107</b> |

The above statement should be read in conjunction with the notes.



**Clubs Victoria Inc.**  
**STATEMENT OF CASH FLOWS**  
*for the year ended 30 June 2018*

|   | Notes | 2018<br>\$    | 2017<br>\$    |
|---|-------|---------------|---------------|
| <b>OPERATING ACTIVITIES</b>   |       |               |               |
| <b>Cash received</b>  |       |               |               |
| Interest  |       | 4             | 8             |
| <b>Cash used</b>  |       |               |               |
| Suppliers   |       | (141)         | (156)         |
| <b>Net cash from (used by) operating activities</b>                   | 11A   | <b>(137)</b>  | <b>(148)</b>  |
| <b>Net increase (decrease) in cash held</b>                           |       |               |               |
|   |       | <b>(137)</b>  | <b>(148)</b>  |
| Cash & cash equivalents at the beginning of the reporting period      |       | 78,244        | 78,392        |
| <b>Cash &amp; cash equivalents at the end of the reporting period</b> | 5A    | <b>78,107</b> | <b>78,244</b> |

The above statement should be read in conjunction with the notes.

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## **Note 1 Summary of significant accounting policies**

### **1.1 Basis of preparation of the financial statements**

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the *Fair Work (Registered Organisation) Act 2009* ('the Act'). For the purpose of preparing the general purpose financial statements, Clubs Victoria Inc. is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

The members approved the amalgamation of the reporting unit with the Community Clubs Association of Victoria Inc. In March 2014 which was subsequently executed on 15 August 2014 in accordance with the requirements of the Associations Incorporation Reform Act 2012 (Victoria). The reporting unit however has not completed the amalgamation requirements of the Fair Work Act (Registered Organisations) Act 2009 (cth) and as such has been unable to execute the amalgamation. These financial statements reflect the fact that the members are currently being serviced by Community Clubs Victoria Inc. whilst the reporting unit transitions to an amalgamated organisation. Hence why the reporting unit has had very little activity during the year.

### **1.2 Comparative amounts**

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

### **1.3 Significant accounting judgements and estimates**

No significant accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

### **1.4 New Australian Accounting Standards**

#### ***Adoption of New Australian Accounting Standard requirements***

No accounting standard has been adopted earlier than the application date stated in the standard.

The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year:

- *AASB 2016-2 Amendment to Australian Accounting Standards – Disclosure Initiative Amendments to AASB 107*, which amends *AASB 107 Statement of Cash Flows* (August 2015) to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and no-cash changes.

### ***Future Australian Accounting Standards Requirements***

No new standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period are expected to have a future financial impact on the financial statements of the reporting unit.

## **1.5 Revenue**

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised on an accrual basis using the effective interest method.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

## **1.6 Gains**

### ***Sale of assets***

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

## **1.7 Cash**

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

## 1.8 Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

## 1.9 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

### *Fair value through profit or loss*

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

### ***Held-to-maturity investments***

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

### ***Available-for-sale***

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

### ***Loan and receivables***

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

### ***Effective interest method***

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

## ***Impairment of financial assets***

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

## ***Derecognition of financial assets***

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

### **1.10 Contingent Liabilities and Contingent Assets**

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

### **1.11 Taxation**

The Reporting Unit is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

### **1.12 Fair value measurement**

The Reporting Unit measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability



The principal or the most advantageous market must be accessible by the reporting unit. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The reporting unit uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the [reporting unit] determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the [reporting unit] has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

## Note 2 Events after the reporting period

There were no events that occurred after 30 June 2018, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the incorporation.

| 2018 | 2017 |
|------|------|
| \$   | \$   |

### Note 3 Income

#### Note 3C: Interest

|                       |          |          |
|-----------------------|----------|----------|
| Deposits              | 4        | 8        |
| Loans                 | -        | -        |
| <b>Total interest</b> | <b>4</b> | <b>8</b> |

| 2018 | 2017 |
|------|------|
| \$   | \$   |

### Note 4 Expenses

#### Note 4A: Administration expenses

|                                     |              |               |
|-------------------------------------|--------------|---------------|
| Accounting Fees                     | 3,000        | 12,680        |
| Compulsory Levies                   | -            | -             |
| Bad Debts                           | -            | 31,290        |
| Bank fees                           | 141          | 156           |
| <b>Total administration expense</b> | <b>3,141</b> | <b>44,126</b> |

| 2018 | 2017 |
|------|------|
| \$   | \$   |

### Note 5 Current Assets

#### Note 5A: Cash and Cash Equivalents

|  |               |               |
|--|---------------|---------------|
| Cash at bank                           | 78,107        | 78,244        |
| <b>Total cash and cash equivalents</b> | <b>78,107</b> | <b>78,244</b> |

|  | 2018<br>\$    | 2017<br>\$   |
|--|---------------|--------------|
| <b>Note 7      Current Liabilities</b> |               |              |
| <b>Note 7A: Trade payables</b>         |               |              |
| Trade creditors and accruals           | 11,000        | 5,000        |
| Operating lease rentals                | -             | -            |
| <b>Total trade creditors</b>           | <b>11,000</b> | <b>5,000</b> |

Settlement is usually made within 30 days.

|   | 2018<br>\$ | 2017<br>\$ |
|---|------------|------------|
| <b>Note 7B: Other payables</b>  |            |            |
| Wages and salaries  | -          | -          |
| Superannuation  | -          | -          |
| Payable to employers for making payroll deductions of membership subscriptions* | -          | -          |
| Legal costs*  |            |            |
| Litigation  | -          | -          |
| Other legal costs   | -          | -          |
| Prepayments received/unearned revenue   | -          | -          |
| GST payable   | -          | -          |
| Other   | -          | -          |
| <b>Total other payables</b>   | <b>-</b>   | <b>-</b>   |
| Total other payables are expected to be settled in:                             |            |            |
| No more than 12 months  | -          | -          |
| More than 12 months   | -          | -          |
| <b>Total other payables</b>   | <b>-</b>   | <b>-</b>   |

|  | 2018 | 2017 |
|--|------|------|
|  | \$   | \$   |

## Note 11 Cash Flow

### Note 11A: Cash Flow Reconciliation

#### Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:

##### Cash and cash equivalents as per:

|                     |          |          |
|---------------------|----------|----------|
| Cash flow statement | 78,107   | 78,244   |
| Balance sheet       | 78,107   | 78,244   |
| <b>Difference</b>   | <b>-</b> | <b>-</b> |

#### Reconciliation of profit/(deficit) to net cash from operating activities:

|                               |         |          |
|-------------------------------|---------|----------|
| Profit/(deficit) for the year | (6,137) | (50,579) |
|-------------------------------|---------|----------|

##### Adjustments for non-cash items

|   |   |   |
|---|---|---|
| Depreciation/amortisation                   | - | - |
| Net write-down of non-financial assets      | - | - |
| Fair value movements in investment property | - | - |
| Gain on disposal of assets                  | - | - |

##### Changes in assets/liabilities

|   |              |              |
|---|--------------|--------------|
| (Increase)/decrease in net receivables              | -            | 45,431       |
| (Increase)/decrease in prepayments                  | -            | -            |
| Increase/(decrease) in supplier payables            | -            | -            |
| Increase/(decrease) in other payables               | 6,000        | 5,000        |
| Increase/(decrease) in employee provisions          | -            | -            |
| Increase/(decrease) in other provisions             | -            | -            |
| <b>Net cash from (used by) operating activities</b> | <b>(137)</b> | <b>(148)</b> |

### Note 11B: Cash flow information\*

#### Cash inflows

|                           |          |          |
|---------------------------|----------|----------|
| Nil                       | -        | -        |
| <b>Total cash inflows</b> | <b>-</b> | <b>-</b> |

#### Cash outflows

|                            |          |          |
|----------------------------|----------|----------|
| Nil                        | -        | -        |
| <b>Total cash outflows</b> | <b>-</b> | <b>-</b> |

## Note 12 Contingent Liabilities, Assets and Commitments

There were no capital and leasing commitments and contingencies as at 30 June 2018 (2017: nil).

|             |             |
|-------------|-------------|
| <b>2018</b> | <b>2017</b> |
| <b>\$</b>   | <b>\$</b>   |

## **Note 13      Related Party Disclosures**

### **Note 13A: Related Party Transactions for the Reporting Period**

Given that the reporting unit is effectively dormant and does not employ staff any administrative assistance required by the reporting unit is provided by Community Clubs Victoria Inc.. In addition Community Clubs Victoria Inc. is providing services to the members of the reporting unit.

In the prior period Community Clubs Victoria Inc. owed the reporting unit and amount of \$31,290 which was written off as a bad debt as at 30 June 2017.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

#### **Receivables owing by Community Clubs Victoria Inc. includes the following:**

|  |   |          |
|--|---|----------|
| Opening balance                                    | - | 45,431   |
| Less expenses paid on behalf of the reporting unit | - | (14,141) |
| Less bad debt written off                          | - | (31,290) |
| Closing balance                                    | - | -        |

### **Note 13B: Key Management Personnel Remuneration for the Reporting Period**

There was no remuneration paid to Key Management Personnel during the reporting period.

### **Note 13C: Transactions with Key Management Personnel and their close family members**

There were no transactions with Key Management Personnel or their close family members during the reporting period.

|             |      |
|-------------|------|
| <b>2018</b> | 2017 |
| \$          | \$   |

## Note 14 Remuneration of Auditors

### Value of the services provided

|                                       |              |              |
|---------------------------------------|--------------|--------------|
| Financial statement audit services    | 3,000        | 6,461        |
| Other services                        | -            | -            |
| <b>Total remuneration of auditors</b> | <b>3,000</b> | <b>6,461</b> |

No other services were provided by the auditors of the financial statements.

|             |      |
|-------------|------|
| <b>2018</b> | 2017 |
| \$          | \$   |

## Note 15 Financial Instruments

The reporting entity's financial instruments consist of deposits with banks and accounts payable.

Given the low level of activity within the organisation the management of the reporting unit's financial instruments is limited to the following:

- periodically monitoring the financial viability of the financial institution upon which the deposits reside to manage credit risk.
- periodically monitoring forecast cash flows to ensure that the reporting unit has sufficient surplus cash to fund its operations for the foreseeable future to manage liquidity risk.

## Note 15A: Categories of Financial Instruments

### *Financial Assets*

|   |               |               |
|---|---------------|---------------|
| Cash and cash equivalents                         | 78,107        | 78,244        |
| Fair value through profit or loss                 | -             | -             |
| Held-to-maturity investments                      | -             | -             |
| Available-for-sale assets:                        | -             | -             |
| Loans and receivables:                            | -             | -             |
| <b>Total</b>                                      | <b>78,107</b> | <b>78,244</b> |
| <b><i>Carrying amount of financial assets</i></b> | <b>78,107</b> | <b>78,244</b> |

### *Financial Liabilities*

|  |               |              |
|--|---------------|--------------|
| Fair value through profit or loss:                     | -             | -            |
| Payables   | 11,000        | 5,000        |
| <b>Total</b>   | <b>11,000</b> | <b>5,000</b> |
| <b><i>Carrying amount of financial liabilities</i></b> | <b>11,000</b> | <b>5,000</b> |

## Note 15E: Liquidity Risk

### Contractual maturities for financial liabilities 2018

|                              | On Demand | < 1 year<br>\$ | 1– 2<br>years<br>\$ | 2– 5<br>years<br>\$ | >5 years<br>\$ | Total<br>\$   |
|------------------------------|-----------|----------------|---------------------|---------------------|----------------|---------------|
| Trade Creditors and Accruals | -         | 11,000         | -                   | -                   | -              | 11,000        |
| <b>Total</b>                 | -         | <b>11,000</b>  | -                   | -                   | -              | <b>11,000</b> |

### Contractual maturities for financial liabilities 2017

|                              | On Demand | < 1 year<br>\$ | 1– 2<br>years<br>\$ | 2– 5<br>years<br>\$ | >5 years<br>\$ | Total<br>\$  |
|------------------------------|-----------|----------------|---------------------|---------------------|----------------|--------------|
| Trade Creditors and Accruals | -         | 5,000          | -                   | -                   | -              | 5,000        |
| <b>Total</b>                 | -         | <b>5,000</b>   | -                   | -                   | -              | <b>5,000</b> |

## Note 18 Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

- (1) A member of a reporting unit, or the Commissioner, 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).

**Clubs Victoria Inc.**

**OFFICER DECLARATION STATEMENT**

I, Barbara Kelly, being the President of Clubs Victoria Inc. declare that the following activities did not occur during the reporting period ending 30 June 2018.

The reporting unit did not:

*(Note: delete items that appear elsewhere in the audited report)*

- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive periodic or membership subscriptions
- receive capitation fees from another reporting unit
- receive any other revenue from another reporting unit
- receive revenue via compulsory levies
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay capitation fees to another reporting unit
- pay any other expense to another reporting unit
- pay affiliation fees to other entity
- pay compulsory levies
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay a donation that was \$1,000 or less
- pay a donation that exceeded \$1,000
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- incur expenses due to holding a meeting as required under the rules of the organisation
- pay legal costs relating to litigation
- pay legal costs relating to other legal matters
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a receivable with other reporting unit(s)
- have a payable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- provide cash flows to another reporting unit and/or controlled entity
- receive cash flows from another reporting units and/or controlled entity
- make a payment to a former related party of the reporting unit

Signed by the officer: \_\_\_\_\_

Dated: \_\_\_\_\_

2.11.18