



2008 – 2009

ANNUAL REPORT ANNUAL REPORT ANNUAL REPORT ANNUAL REPORT ANNUAL REPORT ANNUAL REPORT ANNUAL REPORT



PRESIDENT'S REPORT

The year started very well for the Vikings Group taking out the major award of ACT Employer of the Year at the annual ACT Training Excellence Awards. The Vikings Group were also finalists in the Australian

Employer of the Year at the Australian Training Awards where we won the Industry Award for Services. Congratulations goes to our Human Resources Department of Anthony Hill and Linda Davey and also to our staff who are dedicated to personal development that ensures we maintain outstanding levels of service. Following our Club of the Year award in 2008, the Vikings Group again gave a strong showing this year at the ClubsACT Awards for Excellence where we again won the Promotion of Sport Award, Human Resources Award, Club Dining Award (Kutas, Erindale) and Kutas also won the Bronze Medal in the 'Chefs on

Show' competition. Much has been said over the past number of years about the decline in revenue from Club activities, in particular gaming. The declining trend has continued with the expected recovery not yet being realised. Revenue from Gaming in the ACT continued to decrease this financial year realising a further decrease of 1.63% on the previous year and a decrease of over 10% from November 2006 just prior to the introduction of smoking bans. As far as the future goes we can expect further smoking bans, however the Government has indicated that this is not likely to occur before December 2010. Despite this the Vikings Group continues to perform strongly in a difficult environment, our position in comparison to other Clubs is very sound. Our operations are lean and we are assured that there is minimal inefficiency in our business. Our position has been protected to a degree by ensuring we have money in the bank. The Board and management continue to look at, and take up opportunities to diversify our revenue sources in an effort to protect ourselves from further

declines in gaming and alcohol related revenue. We continue to improve our member facilities with the opening of 'The Terrace' at Vikings Town Centre. This is a fabulous addition to the Club and is a fresh and vibrant place to relax and get together with friends. In July we celebrated Vikings Chisholm Club's 20th birthday. Vikings Chisholm Club was the Vikings' second Club and its success was the catalyst for the further growth of the Club Group. Later this year the Vikings Group turns 30 with our first Club at Erindale opening in December 1979. We look forward to celebrating this milestone with you. On a personal note, I have enjoyed my first year as President and feel privileged to be able to hold the position. I am very proud of the Club, very proud of the staff and I look forward to continuing to serve the members and in representing you in continuing to make a significant contribution to our community.

David Paull
President
29 July 2009



CHIEF EXECUTIVE OFFICER'S REPORT

I am pleased to be able to report a surplus of \$1.07M for the 2008/09 financial year which is a considerable improvement on last year. As mentioned by both the President and Treasurer, times

remain tough and will most likely slowly get worse over the next few years as further government restrictions on the industry bite even harder. This is why your Board is insisting on diversifying so that we have income streams outside the clubs to support our future member services - in five years

time this income will supplement declining club incomes so that services to you, our members, are maintained at current levels. I am pleased to report that we are well on our way to meeting these longer term objectives, with no debt to the bank, and cash and other property totalling over \$10M. Despite all the gloom, we have had lots of positives during the year, including several awards at the ClubsACT Awards for Excellence and several very prestigious training awards, some at a national level. These awards are an important confirmation that we are doing things right and providing services and staff of the highest order. We also continue to contribute to the local community at the same levels as past years, despite the declines in our

trading surpluses. This is an aspect of the Club, of which we should all be proud, and outside looking after our members, it must remain a priority of the highest order. I would like to finish by thanking all of our wonderful staff, and you our members, for your continuing support over the past 12 months.

Thanks also for the dedication, guidance and vision of the Board of Directors. Their efforts go a long way to ensuring the long term future and viability of your Club.

Peter Webb
Chief Executive Officer
29 July 2009



TREASURER'S REPORT

In my report last year I highlighted how difficult and challenging the year was for the Vikings Group. The past 12 months has been just as difficult and challenging and, unfortunately, the year ahead looks likely to be no

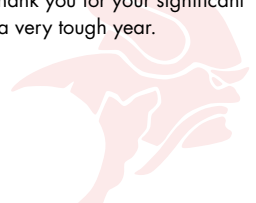
less difficult for the organisation. The economy has obviously slowed as a result of the global financial crisis which, in turn, has had a major impact on discretionary spending – the lifeblood of our industry. Coupled with the ongoing impact of non smoking, the Club industry, overall, is in a very ordinary position. As emphasised last year, the Vikings Group operates in a highly regulated

industry environment and relies heavily on gaming to fund overall group activities. This business model is no longer viable in the longer term and it continues to be important that we look at ways of "fire proofing" our business by diversifying away our income stream risk.

On a slightly more positive note, profit for the year increased to \$1.07M up from last year's \$0.55M, which is a credit to all involved, particularly given that, yet again, total turnover for the year was down on the previous year. This figure is just adequate to maintain member services at their current levels, but any falls in future profits will see these services levels at risk. That said, and despite the difficult trading conditions, we have maintained our community donation commitments over the past 12 months.

However, given future uncertainties, there can be no guarantees that this level of support will continue at current levels and we will be reviewing our position on this significant commitment and working with all stakeholders to achieve acceptable outcomes. On a final note, I am pleased to report that whilst we are working through a difficult period, the Club is focussed on weathering the storm and is taking strategic opportunities to derisk the business. To senior management of the group and, indeed, all staff and members, I thank you for your significant contributions through a very tough year.

Stephen Johnston
SDIAM MAICD F Fin
Treasurer
29 July 2009



FINANCIAL REPORT YEAR ENDED 30 JUNE 2009

Independent Auditor's Report to the members of Tuggeranong Valley Rugby Union and Amateur Sports Club Limited

Report on the Financial Report

We have audited the accompanying financial report of Tuggeranong Valley Rugby Union and Amateur Sports Club Limited (the company), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls 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. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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 met the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report. In addition to our audit of this financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Auditor's Opinion

In our opinion:

- the financial report of Tuggeranong Valley Rugby Union and Amateur Sports Club Limited is in accordance with the Corporations Act 2001 including:
 - giving a true and fair view of the financial position of Tuggeranong Valley Rugby Union and Amateur Sports Club Limited at 30 June 2009 and of its performance for the year ended on that date; and
 - complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Ernst & Young
James Palmer
Partner
29 July 2009

DIRECTORS' REPORT

Incorporation

The Club is incorporated, as a company limited by guarantee, under the Corporations Act 2001 (C'Wlth).

Directors

The names of the directors of the Club in office during the year and until the date of this report were:

David Paull	President - Public Servant	Terry Crane	Director - Public Servant
Ray Sweeny	Vice-President - Retired	John Field	Director - Contractor
Steve Johnston	Treasurer - Financial Adviser	Jim Shonk	Director - Commercial Property Adviser & Valuer
John McGrath	Director - Retired	Malcolm Hoy	Director - Contractor

Principal Activities

The principal activities of the Club during the financial year were running 5 licensed clubs. No significant changes occurred to these activities.

Results

The Club's net operating surplus during the year was \$1,066,920 (2008: \$546,837).

Events Subsequent to Balance Date

No matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Club, the results of those operations or the state of affairs of the Club in subsequent financial years. The Club did, however, exchange contracts for the sale of its townhouse property at Narooma before 30 June 2009. Settlement will take place in August 2009 for \$265,000, which will involve a surplus of about \$155,000.

Environmental Regulation and Performance

The Club's operations are subject to various environmental regulations under both Commonwealth and Territory legislation. The Board believes that the Club has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those requirements as they apply to the Club.

Directors' Benefits

The directors received honorariums of \$73,400 (2008: \$70,500) during the year.

Directors' Meetings

The Board met 14 times in the year ended 30 June 2009:

Director's Name	No. Eligible Meetings	No. Meetings Attended	Director's Name	No. Eligible Meetings	No. Meetings Attended
David Paull	14	14	Terry Crane	14	13
Ray Sweeny	14	14	John Field	14	13
Steve Johnston	14	11	Jim Shonk	14	9
John McGrath	14	13	Malcolm Hoy	14	14

Indemnification and Insurance of Officers

During the financial year, the Club paid \$7,493 for Directors and Officers Liability Insurance which covered those persons and the Club against losses arising out of wrongful acts of those persons (2008: \$10,240).

Auditor's Independence and Non-Audit Services

The directors have received a declaration of independence from the auditor and this is included in the financial report. The directors are satisfied that the nature and scope of non-audit services has not compromised the auditor's independence.

Signed in accordance with a resolution of the directors.

David Paull	Stephen Johnston
President	Treasurer
29 July 2009	29 July 2009

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF TUGGERANONG VALLEY RUGBY UNION AND AMATEUR SPORTS CLUB LIMITED

In relation to our audit of the financial report of Tuggeranong Valley Rugby Union and Amateur Sports Club Limited for the financial year ended 30 June 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young
James Palmer
Partner
29 July 2009

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Tuggeranong Valley Rugby Union and Amateur Sports Club Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the Club are in accordance with the Corporations Act 2001, including:
- (i) giving a true and fair view of the Club's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and Corporations Regulations 2001;
- (b) there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with sections 295A of the Corporations Act 2001 for the financial period ended 30 June 2009.

On behalf of the Board.

David Paull
President
29 July 2009

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	NOTES	2009	2008
		\$	\$
CONTINUING OPERATIONS			
SALES REVENUE		35,368,606	35,597,544
COST OF SALES		(16,283,096)	(16,595,753)
GROSS SURPLUS		19,085,510	19,001,791
OTHER REVENUE FROM CONTINUING OPERATIONS	2	865,388	607,577
Depreciation	3	(4,516,736)	(4,817,162)
Borrowing Cost Expense	3	(19,330)	(17,836)
Costs of Non-Core Activities	3	(2,725,610)	(2,675,343)
Operating Overhead	3	(11,622,302)	(11,552,190)
		(18,883,978)	(19,062,531)
SURPLUS FROM CONTINUING OPERATIONS BEFORE INCOME TAX EXPENSE		1,066,920	546,837
Income Tax Expense Relating to Continuing Operations	4	0	0
SURPLUS FROM CONTINUING OPERATIONS AFTER INCOME TAX EXPENSE		1,066,920	546,837

BALANCE SHEET AS AT 30 JUNE 2009

	NOTES	2009	2008
		\$	\$
ASSETS			
Current Assets			
Cash Assets	14(a)	7,454,843	3,339,984
Investments	5	501,739	3,020,042
Trade & Other Receivables	6	108,281	198,805
Inventories	1(e)	390,099	404,456
Other	7	231,473	183,204
Total Current Assets		8,686,435	7,146,491
Non-Current Assets			
Investments	5	500,000	0
Trade & Other Receivables	6	0	4,000
Investment Properties	8	2,466,923	2,516,251
Property, Plant & Equipment	9	47,406,700	48,608,860
Total Non-Current Assets		50,373,623	51,129,111
TOTAL ASSETS		59,060,058	58,275,602
LIABILITIES			
Current Liabilities			
Payables	10	821,524	759,136
Unearned Income	11	41,989	198,559
Interest-Bearing Liabilities	12	0	236,421
Provisions	13	1,342,660	1,284,070
Total Current Liabilities		2,206,173	2,478,186
Non-Current Liabilities			
Provisions	13	88,122	98,573
Total Non-Current Liabilities		88,122	98,573
TOTAL LIABILITIES		2,294,295	2,576,759
NET ASSETS		56,765,763	55,698,843
MEMBERS' FUNDS			
Accumulated Funds		56,765,763	55,698,843
TOTAL MEMBERS' FUNDS		56,765,763	55,698,843

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2009

	NOTES	2009	2008
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers		38,777,259	39,040,432
Payments to Suppliers and Employees		(32,810,297)	(33,527,539)
Interest Received		399,415	375,845
Borrowing Costs		(19,330)	(17,836)
Income Tax Paid		0	0
Net Cash Flows generated from Operating Activities	14(b)	6,347,047	5,870,902
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal Loans From Sporting Clubs		0	17,333
Principal Loan Repayments to Sporting Clubs		(236,420)	0
Principal Loan Repayments by Sporting Clubs		11,000	18,389
Principal Loans to Sporting Clubs		0	(24,000)
Net Cash Flows (used in)/from Financing Activities		(225,420)	11,722
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Property, Plant & Equipment		550,262	262,364
Purchase of Investments		0	(3,020,042)
Proceeds from Investments		2,018,303	0
Purchase of Investment Properties		0	(2,390)
Purchase of Property, Plant & Equipment		(4,575,333)	(4,701,411)
Net Cash Flows used in Investing Activities		(2,006,768)	(7,461,479)
NET INCREASE/(DECREASE) IN CASH HELD		4,114,859	(1,578,855)
ADD OPENING CASH BROUGHT FORWARD	14(a)	3,339,984	4,918,839
CLOSING CASH CARRIED FORWARD	14(a)	7,454,843	3,339,984

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2009

	Accumulated Funds		Total Equity	
	2009	2008	2009	2008
	\$	\$	\$	\$
OPENING BALANCE	55,698,843	55,152,006	55,698,843	55,152,006
Net Surplus for the Year	<u>1,066,920</u>	<u>546,837</u>	<u>1,066,920</u>	<u>546,837</u>
CLOSING BALANCE AT 30 JUNE 2009	<u>56,765,763</u>	<u>55,698,843</u>	<u>56,765,763</u>	<u>55,698,843</u>

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are as follows:

(a) Basis of Accounting

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards. The financial report has been prepared on a historical cost basis except for shares held for trading which are measured at fair value.

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to the International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and the notes thereto, complies with the International Financial Reporting Standards (IFRS). As at 30 June 2009, a number of accounting standards have been issued with applicable commencement dates subsequent to year end the impact of these accounting standards should not materially alter the accounting policies of the Club.

(c) Cash & Cash Equivalents

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within 2 working days, net of outstanding bank overdrafts.

(d) Trade and Other Receivables

Trade Receivables, which generally have 30 day terms, are recognised and carried at original invoice amount. Collectibility of trade receivables is reviewed on an ongoing basis and individual debts that are likely to be uncollectible are written off when identified.

(e) Inventories

Inventories comprise liquor, dry goods and consumables and are valued at the lower of cost or net realisable value. Cost is actual purchase price on a first in first out basis.

(f) Property, Plant and Equipment

Property, Plant & Equipment is carried at historical cost less accumulated depreciation and any accumulated impairment losses.

Disposal

Any gain or loss on the disposal of assets is determined as the difference between the carrying value of the asset at the time of disposal and the proceeds from disposal, and is included in the results of the Club in the year of disposal.

Impairment

The Club assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Club makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell or its value in use and is determined by an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. In assessing value in use, the Club has used depreciated replacement cost since the Club is a not-for-profit entity where the future economic benefits of its assets are not primarily dependent on the assets ability to generate net cash inflows and the Club would, if deprived of the asset, replace its remaining future economic benefits. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset. An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. Impairment losses are recognised in the income statement.

(g) Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment other than leasehold land. The rates below allocate the cost of the asset over its estimated useful life.

Buildings	50 years	2% per annum
Furniture & Fittings	5 years	20% per annum
Plant & Equipment	10 years	10% per annum
Poker Machines	4 years	25% per annum
Kitchen Equipment	10 years	10% per annum

(h) Investment Properties

Investment Properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an initial investment property at the time that cost is incurred if the recognition criteria are met and excludes the cost of day to day servicing of an investment property. Investment Properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no further economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the surplus or deficit in the year of retirement or disposal.

(i) Payables

Liabilities for trade creditors and other payables are carried at cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Club prior to the end of the financial year that are unpaid and arise when the Club becomes obliged to make future payments in respect of the purchase of those goods and services. These amounts are unsecured and are usually paid within 30 days of recognition.

(j) Interest Bearing Liabilities

All members' loans are recognised at the principal amount. Interest is recognised as an expense as it accrues.

(k) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Club and the revenue can be reliably measured. The following specific criteria recognition must also be met before revenue is recognised.

Sale of Goods (includes liquor and gaming machine revenue)

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

(l) Taxes

Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the Balance Sheet date. Deferred income tax is provided on all temporary differences at the Balance Sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are re-assessed at each Balance Sheet date and are recognised to the extent that it has become probable that future taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Goods & Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except when GST is not recoverable in which case the GST is recognised as a part of the cost of the expense item or asset in question. Trade and other receivables are stated with GST included, payables with GST excluded. The net amount of GST recoverable from, or payable to, the taxation authority, is included as part of trade and other receivables or payables in the Balance Sheet. Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from financing and investing activities, which is recoverable from, or payable to, the taxation authority, is included as part of operating cash flows.

(m) Employee Benefits

Wages, Salaries and Annual Leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Long Service Leave.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(n) Chisholm Sports, Town Centre Sports, Lanyon Rugby and Vikings Capital Golf Clubs

As these clubs are trading names owned by the Club, and are not separate legal entities, transactions involving them have been incorporated into the accounts of the Club.

(o) Corporate Information

The Club is incorporated, as a company limited by guarantee, under the Corporations Act 2001. As such no dividends can be paid to members. The liability of each member is limited to any unpaid amounts outstanding on any entrance fee and annual subscription. The Club's financial report for the year ended 30 June 2009 was authorised for issue in accordance with a resolution of the directors on 29 July 2009. The Club employed 215 employees as at 30 June 2009 (2008:210).

(p) Financial Assets at Fair Value through Profit and Loss Account

Financial assets classified as held for trading are included in the category "financial assets at fair value through profit or loss". Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term with making a profit. Gains or losses on financial assets held for trading are recognised in profit or loss and the related assets are classified as current assets in the Balance Sheet. The shares held by the Club are classified as held for trading.

(q) Significant Accounting Judgements, Estimates and Assumptions

In applying the Club's accounting policies, management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Club. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from these judgements, estimates and assumptions. Significant judgements, estimates and assumptions made in the preparation of these financial statements are listed below.

Impairment of Non-Financial Assets

The Club assesses impairment of all assets at each reporting date by evaluating conditions specific to the Club and to the particular asset that may lead to impairment.

NOTE 2: OTHER REVENUE FROM CONTINUING OPERATIONS	2009	2008
	\$	\$
Net Gain on the sale of Non-Current Assets	465,973	231,732
Interest - Other Corporations	399,415	<u>375,845</u>
	865,388	<u>607,577</u>
NOTE 3: EXPENSES		
(a) Depreciation and Impairment Losses		
Depreciation		
Buildings	789,019	796,782
Investment Properties	49,328	55,524
Furniture	333,365	458,173
Plant	959,209	954,370
Poker Machines	2,298,175	2,466,154
Kitchen Equipment	87,640	<u>86,159</u>
	4,516,736	<u>4,817,162</u>

NOTE 3: EXPENSES continued	2009	2008
	\$	\$
Impairment Losses	<u>1,225,795</u>	<u>1,097,230</u>
(b) Borrowing Cost Expense		
Interest Expense		
Overdraft	619	503
Members' Loans	<u>18,711</u>	<u>17,333</u>
	<u>19,330</u>	<u>17,836</u>
(c) Non-Core Activities		
These costs represent contributions by the Club to support sporting and other community activity. They do not include capitalised sport and community expenditure.	<u>2,725,610</u>	<u>2,675,343</u>
(d) Operating Overheads		
Indirect Trading Expenses	4,796,893	4,564,058
Administrative Expenses	4,623,962	4,581,217
Promotional Expenses	<u>2,201,447</u>	<u>2,406,915</u>
	<u>11,622,302</u>	<u>11,552,190</u>
NOTE 4: INCOME TAX		
Clubs are taxed on the principle of mutuality, which provides that members cannot generate a surplus from themselves. Income taxation is therefore payable only on surpluses derived from non-members.		
The prima facie tax on operating surplus differs from the income tax provided in the accounts and is calculated as follows:		
Prima Facie Tax on operating surplus at 30%	320,076	164,051
Tax effect of permanent differences -		
Non-deductible expenses relating to tax rules and to members	178,198	220,440
Mutuality Principle	(625,990)	(391,645)
Items fully assessable	538,778	383,561
Items fully deductible	(566,547)	(551,660)
Net Deferred Tax Asset on timing differences not recognised	155,485	41,897
Deferred Tax Asset on tax losses not recognised	0	<u>133,356</u>
Income Tax expense (benefit)	0	0
As at 30 June 2009, the Club had unused carry forward tax losses of	\$6,097,903	
These losses would give rise to a Deferred Tax Asset if recognised of	\$1,829,371	
This Deferred Tax Asset has not been recognised as recovery is not sufficiently probable.		
NOTE 5: INVESTMENTS		
Shares listed on the Australian Stock Exchange - held for trading - at fair value	501,739	0
Unit Trust Holding in Bunnings Belconnen Site	500,000	0
90 Day Bank Bills	0	<u>3,020,042</u>
	<u>1,001,739</u>	<u>3,020,042</u>
Represented by:		
Current Asset	501,739	3,020,042
Non-Current Asset	<u>500,000</u>	0
	<u>1,001,739</u>	<u>3,020,042</u>
NOTE 6: TRADE & OTHER RECEIVABLES		
Trade Debtors	100,281	183,805
Loans Receivable	8,000	19,000
	<u>108,281</u>	<u>202,805</u>
Represented by:		
Current Asset	108,281	198,805
Non-Current Asset	0	<u>4,000</u>
	<u>108,281</u>	<u>202,805</u>
NOTE 7: OTHER CURRENT ASSETS		
The amounts shown in the Balance Sheet represent expenses prepaid as at 30 June 2009.	<u>231,473</u>	<u>183,204</u>
NOTE 8: INVESTMENT PROPERTIES		
Investment Properties - at cost	2,900,879	2,900,879
Accumulated Depreciation	<u>(433,956)</u>	<u>(384,628)</u>
	<u>2,466,923</u>	<u>2,516,251</u>
Reconciliation		
Reconciliations of the carrying amounts of Investment Properties at the beginning and end of the current and previous financial year.		
Carrying amount at start	2,516,251	2,569,385
Additions during Year	0	2,390
Disposals during Year	0	0
Depreciation Expense	<u>(49,328)</u>	<u>(55,524)</u>
Carrying Amount at end	<u>2,466,923</u>	<u>2,516,251</u>

NOTE 9: PROPERTY, PLANT & EQUIPMENT	2009	2008
	\$	\$
Leasehold Land & Buildings - at cost	45,527,368	45,479,164
Accumulated Depreciation	(8,421,519)	<u>(7,772,425)</u>
	37,105,849	37,706,739
Furniture & Fittings - at cost	6,288,892	6,213,493
Accumulated Depreciation	(5,846,939)	<u>(5,513,575)</u>
	441,953	699,918
Plant & Equipment - at cost	17,402,398	17,090,591
Accumulated Depreciation	(13,165,073)	<u>(12,224,474)</u>
	4,237,325	4,866,117
Poker Machines - at cost	23,945,123	22,262,939
Accumulated Depreciation	(18,835,272)	<u>(17,469,812)</u>
	5,109,851	4,793,127
Kitchen Equipment - at cost	1,874,909	1,818,505
Accumulated Depreciation	(1,363,187)	<u>(1,275,546)</u>
	511,722	542,959
Total Property, Plant & Equipment - at cost	95,038,690	92,864,692
Accumulated Depreciation	(47,631,990)	<u>(44,255,832)</u>
Total Written Down Amount	47,406,700	48,608,860
Reconciliation		
Reconciliations of the carrying amounts of Property, Plant & Equipment at the beginning and end of the current and previous financial year.		
(a) Leasehold Land		
Carrying amount at start	3,762,957	3,762,957
Additions during Year	0	0
Disposals during Year	(21,995)	0
Impairment during Year	(1,035,000)	0
Depreciation Expense	0	<u>0</u>
Carrying Amount at end	2,705,962	3,762,957
(b) Buildings on Leasehold Land		
Carrying amount at start	33,943,782	34,698,482
Additions during Year	1,487,197	1,139,312
Disposals during Year	(51,278)	0
Impairment during Year	(190,795)	(1,097,230)
Depreciation Expense	(789,019)	<u>(796,782)</u>
Carrying Amount at end	34,399,887	33,943,782
(c) Furniture & Fittings		
Carrying amount at start	699,918	899,966
Additions during Year	75,400	258,125
Disposals during Year	0	0
Depreciation Expense	(333,365)	<u>(458,173)</u>
Carrying Amount at end	441,953	699,918
(d) Plant & Equipment		
Carrying amount at start	4,866,117	4,943,345
Additions during Year	341,434	907,774
Disposals during Year	(11,017)	(30,632)
Depreciation Expense	(959,209)	<u>(954,370)</u>
Carrying Amount at end	4,237,325	4,866,117
(e) Poker Machines		
Carrying amount at start	4,793,127	4,906,895
Additions during Year	2,614,899	2,352,386
Disposals during Year	0	0
Depreciation Expense	(2,298,175)	<u>(2,466,154)</u>
Carrying Amount at end	5,109,851	4,793,127
(f) Kitchen Equipment		
Carrying amount at start	542,959	585,304
Additions during Year	56,403	43,814
Disposals during Year	0	0
Depreciation Expense	(87,640)	<u>(86,159)</u>
Carrying Amount at end	511,722	542,959
TOTALS		
Carrying amount at start	48,608,860	49,796,949
Additions during Year	4,575,333	4,701,411

NOTE 9: PROPERTY, PLANT & EQUIPMENT (continued)	2009	2008
	\$	\$
Impairment during Year	(1,225,795)	(1,097,230)
Disposals during Year	(84,290)	(30,632)
Depreciation Expense	(4,467,408)	(4,761,638)
Carrying Amount at end	47,406,700	48,608,860
NOTE 10: PAYABLES		
Trade Creditors	222,881	162,809
Accrued Expenses	469,922	437,324
Net GST Payable	128,721	159,003
	821,524	759,136
NOTE 11: UNEARNED INCOME		
Rental Income/Bonds in advance	41,989	60,559
ACT Government Grant in Advance	0	138,000
	41,989	198,559
NOTE 12: INTEREST BEARING LIABILITIES		
Current Liabilities - Members - unsecured	0	236,421
Financing Facilities Available		
At balance date, the following financing facilities had been negotiated and were available.		
Total Facilities Available at Reporting Date		
Autopay/Contingencies	1,000,000	1,000,000
Bank Overdraft	220,000	220,000
Bank Loans	7,000,000	7,000,000
	8,220,000	8,220,000
Total Facilities Used at Reporting Date		
Autopay/Contingencies	80,000	80,000
Bank Overdraft	476,003	449,782
Bank Loans	0	0
	556,003	529,782
Total Facilities Unused at Reporting Date		
Autopay/Contingencies	920,000	920,000
Bank Overdraft	(256,003)	(229,782)
Bank Loans	7,000,000	7,000,000
	7,663,997	7,690,218
Assets Pledged as Security		
The above facilities are secured by a floating charge held by the Commonwealth Bank of Australia over all the Club's assets and undertakings. That bank also holds first mortgages over the land and buildings at the Chisholm, Erindale, Town Centre, Lanyon and Capital Golf clubs.		
NOTE 13: PROVISIONS		
Annual Leave	680,105	650,390
Long Service Leave	513,705	503,255
	1,193,810	1,153,645
Add: On-Costs	236,972	228,998
	1,430,782	1,382,643
Represented by:		
Current Liabilities	1,342,660	1,284,070
Non-Current Liability	88,122	98,573
	1,430,782	1,382,643
NOTE 14: CASH FLOW STATEMENT		
(a) Reconciliation of Cash - see Note 1(c)		
Bank Overdraft	(476,003)	(449,782)
Cash on Hand	7,930,846	3,789,766
	7,454,843	3,339,984
(b) Reconciliation of Operating Surplus after Tax to Net Cash Flows from Operations		
OPERATING SURPLUS AFTER INCOME TAX	1,066,920	546,837
Depreciation	4,516,736	4,817,162
Gain from Asset Sales	(465,973)	(231,732)
Impairment	1,225,795	1,097,230
Changes in Assets and Liabilities – Receivables	83,524	(87,235)
– Inventories	14,357	(29,779)
– Other Current (Prepayments)	(48,269)	19,162
– GST Provision	(30,282)	(22,092)
– Payables	92,670	(410,845)
– Unearned Income	(156,570)	140,749
– Provisions	48,139	31,445
NET CASH FLOW FROM OPERATING ACTIVITIES	6,347,047	5,870,902

NOTE 15: AUDITOR'S REMUNERATION	2009	2008
	\$	\$
Amounts received or due and receivable by Ernst & Young for:		
Audit of the Financial Report of the Entity	35,020	32,000
Other Services in relation to the Entity	39,354	23,000
	74,374	55,000

NOTE 16: CONTINGENT LIABILITIES

The Club has guaranteed the ACTTAB \$80,000 in respect of any shortfall in the Chisholm, Erindale, Lanyon or Town Centre clubs' TAB Facilities.

NOTE 17: REGISTER OF MEMBERS

The Club's membership register is kept at the Club's Registered Office at 8 Ricardo Street, Wanniasa, ACT.

NOTE 18: SEGMENT INFORMATION

The Club operates as a licensed club solely within the Australian Capital Territory for the benefit of its members. Services provided to members include entertainment, food, refreshments, holiday accommodation, sports and gaming.

NOTE 19: FINANCIAL RISK MANAGEMENT

(a) Credit Risk Exposures

The credit risk on financial assets of the Club, which are recognised on the Balance Sheet, is the carrying amount of those assets.

(b) Interest Rate Risk Exposure

The Club's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below.

2008		Floating Interest Rate	Fixed Interest Rate (Up to 3yrs)	2009 TOTAL
\$		\$	\$	\$
	Financial Assets			
3,339,984	Cash Assets	7,454,843	0	7,454,843
3,020,042	Investments	1,001,739	0	1,001,739
19,000	Loans Receivable	0	8,000	8,000
183,805	Trade Debtors	0	100,281	100,281
<u>6,562,831</u>		<u>8,456,582</u>	<u>108,281</u>	<u>8,564,863</u>
	Weighted Average Interest Cost	6.25	0.00	
		2008	0.00	
	Financial Liabilities			
759,136	Payables	0	821,524	821,524
198,559	Unearned Income	0	41,989	41,989
236,421	Members' Loans	0	0	0
<u>1,194,116</u>		<u>0</u>	<u>863,513</u>	<u>863,513</u>
	Weighted Average Interest Cost			
		0.00	0.00	
		2008	0.00	
<u>5,368,715</u>	Net Financial Assets			<u>7,701,350</u>
	Reconciliation of Net Financial Assets to Net Assets (Members' Funds)			
5,368,715	Net Financial Assets (as above)			7,701,350
48,608,860	Property, Plant & Equipment			47,406,700
2,516,251	Investment Properties			2,466,923
404,456	Inventories			390,099
183,204	Other Current Assets - Prepayments			231,473
<u>(1,382,643)</u>	Provisions - Employee Entitlements			<u>(1,430,782)</u>
<u>55,698,843</u>				<u>56,765,763</u>

The Club has some exposure to movements in interest rates on its cash investments. Every 1% movement up will increase the Club's profit by \$10,000 per annum on each \$1,000,000 invested, similarly with movements down.

(c) Risk Management Objectives and Policies

The Club has adopted an extremely conservative approach to financial risk management, choosing several years ago to diversify away from its traditional club buildings' base. As a result of this strategy, the Club now has outside real property assets worth in excess of \$7M at cost. The Club also has no external debt. Against this, the Club has investments of \$1M and cash of nearly \$7.5M. The above strategies have been pursued by the Board so that the Club can continue to provide current services in the ever tightening Club sector in Canberra. Non-smoking and note acceptor bans are examples of the effect that outside factors have had on the industry in the last four years. In the immediate future, the industry may also be facing complete non-smoking bans and limits on ATMs. The Club is not in breach of any bank covenants in respect of its \$7M loan facility. This facility is not, at present, being used. The Club is limited by guarantee and under its constitution is prohibited from paying a dividend to its members.

i) Credit Risk

The Board considers there is only a very low risk of the Club defaulting on any obligation to any party. The Board considers the chance of the Commonwealth Bank defaulting on any obligation to the Club, in respect of any of the Club's investments, to be also very low.

ii) Liquidity Risk

The Board considers, with the level of cash investments held, that there is no danger of the Club failing to meet any obligation associated with its financial liabilities.

iii) Market Risk

The Club presently has no debt. There is also little likelihood that there will be any significant interest rate movements associated with the Club's cash investments with the Commonwealth Bank.

iv) Investment Risk

The Club's policy is to invest in "blue chip" securities on the Australian Stock Exchange with a view to stability, medium to long term capital growth and some dividend income. These securities also have the advantage of being easy to dispose of in a short time frame. The Club's \$500,000 investment in the Bunnings Belconnen Unit Trust was seen as an opportunity for the Club to take advantage of a low risk income stream for a number of years, along with a longer term opportunity for income and capital growth.

NOTE 19: FINANCIAL INSTRUMENTS (Ctd)**v) Investment Risk**

All financial assets and liabilities are non-interest bearing with the exception of cash and investments. The average weighted rate for cash and investments was 6.25% pa (2008: 7.15% pa). Falls in the rates available for cash, in the 6 months to June 2009, were the cause of the fall in returns from 2008 to 2009. Rates available for 2009/10 are unlikely to be much above 3.5% pa, especially given that the Club pays the Commonwealth Government's deposit guarantee charge on moneys over \$1M to take the risk out of the investment.

At balance date, the Club had the following mix of financial assets exposed to Australian Variable Interest rate risk:

FINANCIAL ASSETS		2009	2008	
		\$	\$	
Cash		7,454,843	3,339,984	
Investments		1,001,739	3,020,042	
Net Exposure		8,456,582	6,360,026	
Sensitivity .. Effect on Surplus/Equity	Post Tax Surplus Lower/(Higher)		Equity Lower/(Higher)	
	2009	2008	2009	2008
	\$	\$	\$	\$
+1% (100 basis points)	76,000	35,000	76,000	35,000
- 1% (100 basis points)	(76,000)	(35,000)	(76,000)	(35,000)

(d) Maturity Analysis of Financial Assets and Liabilities based on Management's Expectations

The risk implied from the values shown in the table below, reflects a balanced view of cash inflows and outflows. Trade and other payables originate from the ongoing operations. The assets are considered in the entity's overall liquidity risk. To monitor existing financial assets and liabilities as well as to enable an effective controlling of future risks, the entity has established comprehensive risk reporting covering its business that reflects expectations of the management of expected settlement of financial assets and liabilities.

2008		6 Months or Less	6 to 12 Months	1 to 2 Years	Over 2 Years	2009 TOTAL
\$		\$	\$	\$	\$	\$
	Financial Assets					
3,339,984	Cash Assets	7,454,843	0	0	0	7,454,843
3,020,042	Investments	501,739	0	0	500,000	1,001,739
19,000	Loans Receivable	8,000	0	0	0	8,000
183,805	Trade Debtors	100,281	0	0	0	100,281
6,562,831		8,064,863	0	0	500,000	8,564,863
	Financial Liabilities					
759,136	Payables	821,524	0	0	0	821,524
198,559	Unearned Income	41,989	0	0	0	41,989
236,421	Members' Loans	0	0	0	0	0
1,194,116		863,513	0	0	0	863,513
5,368,715	NET MATURITY	7,201,350	0	0	500,000	7,701,350

NOTE 20: RELATED PARTY DISCLOSURES**Club Directors during the financial year were:**

David Paull	President	Terry Crane	Director
Ray Sweeny	Vice-President	John Field	Director
Steve Johnston	Treasurer	Jim Shonk	Director
John McGrath	Director	Malcolm Hoy	Director

Honorariums of \$73,400 (2008: \$70,500) were paid during the 2007/08 financial year.

Directors and Officers Liability Insurance of \$7,493 (2008: \$10,240) was paid by the Club during the year.

Director/Director Related Entity Transactions

There were no director/director entity related transactions during the year.

NOTE 21: COMMITMENTS

There were no commitments of any significance at the end of the financial year.

NOTE 22: REMUNERATION OF KEY MANAGEMENT PERSONNEL	2009	2008
	\$	\$
Short-term employee benefits including superannuation	482,493	470,381
Post employment benefits	0	0
Other long-term benefits	10,907	8,630
Termination benefits	0	0
Share-based payments	0	0
	493,400	479,011

These benefits were provided to the Chief Executive Officer and the General Manager Finance.

NOTE 23: SUBSEQUENT EVENTS

The Club exchanged contracts for the sale of its townhouse property at Narooma before 30 June 2009. Settlement will take place in August 2009 for \$265,000, which involves a surplus of about \$155,000.

TUGGERANONG VALLEY RUGBY UNION AND AMATEUR SPORTS CLUB LIMITED

INFORMATION PROVIDED UNDER THE GAMING MACHINE ACT 2004 (A.C.T) FOR THE YEAR ENDED 30 JUNE 2009

1. ARRANGEMENTS WITH "INFLUENTIAL PERSONS" (Sections 7(1)(a) and 54(a)(i) Gaming Machine Act 2004)

The Club has written employment contracts, on normal commercial terms, with senior management. There are no contracts or arrangements with directors, other than those disclosed in Note 20 of the Financial Report.

2. CONTRACTS OVER \$50,000 Including GST (Section 54(a)(ii) Gaming Machine Act 2004)

Aardvark Plumbing	Building Works	Ernst & Young	Audit & Accounting
AC&R Company	Building Works	ETS Commercial Refrigeration	Repairs & Maintenance
ACT Entertainment	Entertainment Artists	Fosters	Liquor
ACT Gambling & Racing Commission	Gaming Machines Taxation	Host Plus	Staff Superannuation
ACT Revenue Office	Rates & Taxes	ISS Washroom Services	Washroom Services
ACT Rugby Union	Sport Sponsorship	J & A Wholesalers	Snack Machine Supplies
ACTEWAGL	Gas, Electricity, Water & Sewerage	JP Contractors	Building Works
Alfs Butchery	Meat Raffles	Kutas Bistro	Catering
ALM	Liquor	Limro	Cleaning
AON Risk Services	Insurance	Living Turf	Garden Supplies
Aristocrat Technologies	Gaming Machines & Service	Lofty Matthews Enterprises	Housie & MC Services
BBHH Properties	Unit Trust Investment	Maddisons	Catering
Benhams Bistro	Catering	Nova Multimedia	Sound Technicians
Blue Star Printing	Printing	Nuturf Aust	Garden Supplies
Bruce The Butcher	Meat Raffles	Orlando Wyndham	Liquor
Calwell Quality Meats	Meat Raffles	Project Solutions	Building Management
Capital Duct Cleaning	Duct Cleaning	RAM Constructions	Building Works
Capital Pro Shop	Golf Course Management	R & K Welding	Building Works
Carrier Air Conditioning	Repairs & Maintenance	Sky Channel	Sky Channel
Cleanaway	Cleaning	STS Security	Security
ClubsACT	Affiliation Fees	Telstra	Phone/IT Services
Club Plus Superannuation	Staff Superannuation	The Good Guys	Prizes
Coca Cola	Soft Drinks	Tiling Impressions	Building Works
Colonial First State	Staff Superannuation	Tooheys	Liquor
Cool Chilli	IT Services	TOK Carpentry	Building Works
Corporate Express	Consumables	Trend Windows	Building Works
Custom Security	Security Services	Trojan Hospitality	Consumables
Dellow Constructions	Building Works	Tuggeranong Valley Rugby Union Club	Sport Sponsorship
Diamond Beach Resort	Gold Coast Units Site Costs	Webster Advertising	Advertising and Compere Services
Erindale Discount Meats	Meat Raffles		

3. REMUNERATION OVER \$100,000 (Section 54(b) Gaming Machine Act 2004)

The number of employees receiving remuneration in excess of \$100,000 is six.

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2008-2009 ANNUAL REPORT

TUGGERANONG VALLEY RUGBY UNION
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VIKINGS ERINDALE Ricardo Street Wanniasa 6121 2100 VIKINGS CHISHOLM Benham Street Chisholm 6209 0200

VIKINGS TOWN CENTRE Cnr. Athillon Drive & Rowland Rees Cres Greenway 6208 6300 VIKINGS LANYON Heidelberg Street Conder 6200 8400

VIKINGS CAPITAL GOLF Jerrabomberra Ave Narrabundah 6295 8048 VIKINGS HEALTH & FITNESS 6231 6597 VIKINGS EVENTS 6121 2131