

**THE QUEENSLAND YACHTING ASSOCIATION LIMITED  
ABN 80 010 268 014  
AND CONTROLLED ENTITY**

**FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2008**

**THE QUEENSLAND YACHTING ASSOCIATION LIMITED  
ABN 80 010 268 014  
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**FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2008**

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**THE QUEENSLAND YACHTING ASSOCIATION LIMITED**  
**ABN 80 010 268 014**  
**AND CONTROLLED ENTITY**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2008**

The directors of The Queensland Yachting Association Limited present their report on the consolidated entity, consisting of The Queensland Yachting Association Limited and the entities it controlled at the end of, and during, the financial year ended 30 June 2008.

**Directors**

The name of each person who has been a director during the year and to the date of this report are:

Odile Anderson	David McLean
Judith O'Donoghue	Ken Hurling (appointed October 2007)
David Thomson	Dayle Smith (resigned October 2007)
Greg Clarke	Glen Somerville (resigned October 2007)
Grant Somerville	Guy Chester (appointed August 2008)

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

Information on directors in office at the date of this report:

<b>NAME</b>	<b>RESPONSIBILITIES</b>	<b>EXPERIENCE</b>
Ken HURLING	President	1 Year
Odile ANDERSON	Director	9 Years
Judith O'DONOGHUE	Director	2 Year
David THOMSON	Treasurer	2 Year
Greg CLARKE	Director	2 Year
Grant SOMERVILLE	Director	2 Year
David MCLEAN	Director	2 Year
Guy CHESTER	Director	-(appointed August 2008)

**THE QUEENSLAND YACHTING  
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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2008**

**Meetings of Directors**

During the financial year, 7 meetings of directors were held. Attendances by each director were as follows:

<b>Director</b>	<b>Number Eligible to Attend</b>	<b>Number Attended</b>
Odile Anderson	7	6
Dayle Smith	3	3
Glen Somerville	3	3
Judith O'Donoghue	7	5
David Thomson	7	6
Greg Clarke	7	7
David McLean	7	5
Grant Somerville	7	6
Ken Hurling	4	4

**Principal Activities**

The principal activities of the consolidated entity during the financial year were as follows:

- (a) The encouragement and promotion of the recreation and sport of yachting, and
- (b) To do all such things as are incidental or conducive to the attainment of the above objective.

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

**Operating Results**

The surplus of the consolidated entity amounted to \$44,565.

**Dividends Paid or Recommended**

The company's constitution prohibits the payment of dividends.

**Review of Operations**

There has been no significant change in the operations of the consolidated entity during the year.

**Significant Changes in the State of Affairs**

Queensland Yachting Association Ltd is in the process of winding up Yachting North Queensland Pty Ltd. Subsequent to year end the assets of Yachting North Queensland have been transferred to North Queensland Sailing.

There have been no other significant changes in the consolidated entity's state of affairs.

**THE QUEENSLAND YACHTING  
ASSOCIATION LIMITED ABN 80 010 268 014  
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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2008**

**Post Balance Date Events**

Other than as already mentioned, no matters or circumstances have arisen since the end of financial year which significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

**Future Developments**

The consolidated entity expects to maintain the present status and level of operations and hence there are no likely developments in the consolidated entity's operations.

**Environmental Regulation**

The consolidated entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

**Share Options**

No options over issued shares or interests in the consolidated entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

**Proceedings on Behalf of the Consolidated entity**

No person has applied for leave of Court to bring proceedings on behalf of the consolidated entity or intervene in any proceedings to which the consolidated entity is a party for the purpose of taking responsibility on behalf of the consolidated entity for all or any part of those proceedings.

**Directors and Auditors Indemnification**

The consolidated entity has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the consolidated entity or a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings other than as noted below.

During the financial year the consolidated entity has paid premiums to insure each of its directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising out of their conduct while acting in the capacity of officer of the consolidated entity, other than conduct involving a wilful breach of duty in relation to the consolidated entity. The terms of the policy prohibit disclosure of the premium paid.

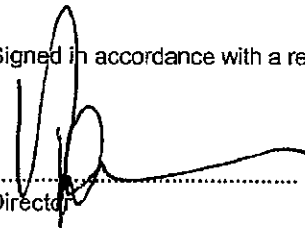
**THE QUEENSLAND YACHTING  
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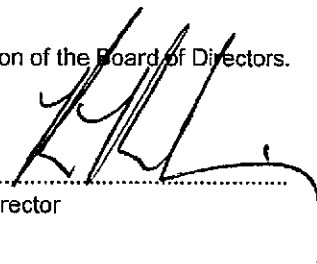
**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2008**

**Directors and Auditors Indemnification (cont.)**

The lead auditor's independence declaration for the year ended 30 June 2008 has been received and can be found on page 5 of the directors' report.

Signed in accordance with a resolution of the Board of Directors.

  
.....  
Director

  
.....  
Director

**Brisbane**  
Dated: 29 September 2008



BDO Kendalls

BDO Kendalls (QLD)  
Level 18, 300 Queen St  
Brisbane QLD 4000  
GPO Box 457 Brisbane QLD 4001  
Phone 61 7 3237 5999  
Fax 61 7 3221 9227  
info.brisbane@bdo.com.au  
www.bdo.com.au

ABN 70 202 702 402

29 September 2008

The Directors  
The Queensland Yachting Association Limited  
PO Box 5462  
MANLY QLD 4179

Dear Directors

### LEAD AUDITOR'S INDEPENDENCE DECLARATION

I declare that to the best of my knowledge and belief, during the year ended 30 June 2008 there have been:

1. No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

Yours faithfully  
BDO Kendalls (QLD)

A J Whyte  
Partner

**THE QUEENSLAND YACHTING ASSOCIATION LIMITED**  
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**AND CONTROLLED ENTITY**

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2008**

	Note	Consolidated Entity		Parent Entity	
		2008	2007	2008	2007
		\$	\$	\$	\$
Sales Revenue		19,808	17,116	19,808	17,116
Cost of Sales		(14,357)	(13,929)	(14,357)	(13,929)
<b>Gross Surplus</b>		<b>5,451</b>	<b>3,187</b>	<b>5,451</b>	<b>3,187</b>
Training Course Revenue		28,225	20,525	28,225	20,525
Training Course Expenses		(9,334)	(9,954)	(9,334)	(9,954)
<b>Training Course Surplus</b>		<b>18,891</b>	<b>10,571</b>	<b>18,891</b>	<b>10,571</b>
Other Training Revenue		49,588	24,805	49,588	24,805
Other Training Expenses		(4,356)	(2,240)	(4,356)	(2,240)
<b>Other Training Surplus</b>		<b>45,232</b>	<b>22,565</b>	<b>45,232</b>	<b>22,565</b>
Athlete Development Revenue		15,821	11,657	15,821	11,657
Athlete Development Expenses		(11,304)	(12,661)	(11,304)	(12,661)
<b>Athlete Development Surplus</b>		<b>4,517</b>	<b>(1,004)</b>	<b>4,517</b>	<b>(1,004)</b>
Regional Revenue		10,781	16,697	-	1,393
Regional Expenses		(7,381)	(24,735)	(708)	(20,846)
<b>Regional Surplus/(Deficit)</b>		<b>3,400</b>	<b>(8,038)</b>	<b>(708)</b>	<b>(19,453)</b>
Capitation and Affiliation Fees		309,645	315,367	309,645	315,367
Grant Income		184,238	205,024	179,238	200,624
Interest Income		7,975	4,839	7,971	4,539
Profit/(Loss) from Sale of Assets		1,252	(2,147)	-	(2,147)
Other Revenues		32,022	39,848	31,985	38,839
Payments to Yachting Australia		(127,686)	(123,437)	(127,686)	(123,437)
Administration Expenses		(94,661)	(143,936)	(94,661)	(143,936)
Employee Benefits		(254,514)	(278,690)	(254,514)	(278,690)
Depreciation		(56,854)	(56,346)	(33,098)	(35,293)
Interest Expenses		(10,675)	(9,674)	(10,675)	(9,674)
Other Expenses		(23,668)	(34,514)	(17,578)	(23,339)
<b>Surplus/(Deficit) before Income Tax</b>		<b>44,565</b>	<b>(56,385)</b>	<b>64,010</b>	<b>(41,281)</b>
Income Tax Expense	1	-	-	-	-
<b>Surplus/(Deficit) after Income Tax</b>		<b>44,565</b>	<b>(56,385)</b>	<b>64,010</b>	<b>(41,281)</b>

This financial statement should be read in conjunction with the accompanying notes to the financial statements.

**THE QUEENSLAND YACHTING ASSOCIATION LIMITED**  
**ABN 80 010 268 014**  
**AND CONTROLLED ENTITY**

**BALANCE SHEET**  
**AS AT 30 JUNE 2008**

	Note	Consolidated Entity		Parent Entity	
		2008	2007	2008	2007
		\$	\$	\$	\$
<b>Assets</b>					
<b>Current Assets</b>					
Cash and Cash Equivalents	3	205,582	88,568	200,131	72,896
Trade and Other Receivables	4	22,305	26,869	22,626	23,073
Inventories	5	12,650	12,433	12,650	12,433
Other Current Assets	6	4,736	1,544	4,736	1,544
<b>Total Current Assets</b>		<b>245,273</b>	<b>129,414</b>	<b>240,143</b>	<b>109,946</b>
<b>Non-Current Assets</b>					
Other Financial Assets	7	-	-	109,973	109,973
Property, Plant and Equipment	8	728,098	752,228	652,944	674,534
<b>Total Non-Current Assets</b>		<b>728,098</b>	<b>752,228</b>	<b>762,917</b>	<b>784,507</b>
<b>Total Assets</b>		<b>973,371</b>	<b>881,642</b>	<b>1,003,060</b>	<b>894,453</b>
<b>Current Liability</b>					
Trade and Other Payables	9	216,253	169,089	211,393	166,796
<b>Total Current Liability</b>		<b>216,253</b>	<b>169,089</b>	<b>211,393</b>	<b>166,796</b>
<b>Non-Current Liability</b>					
Interest Bearing Liabilities	10	100,000	100,000	100,000	100,000
<b>Total Liabilities</b>		<b>316,253</b>	<b>269,089</b>	<b>311,393</b>	<b>266,796</b>
<b>Net Assets</b>		<b>657,118</b>	<b>612,553</b>	<b>691,667</b>	<b>627,657</b>
<b>Equity</b>					
Retained Earnings		657,118	612,553	691,667	627,657

This financial statement should be read in conjunction with the accompanying notes to the financial statements.

**THE QUEENSLAND YACHTING ASSOCIATION LIMITED**  
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**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2008**

Note	Consolidated Entity		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Retained Earnings				
Opening Balance	612,553	668,938	627,657	668,938
Profit/(Loss) for the year	44,565	(56,385)	64,010	(41,281)
Closing Balance	<u>657,118</u>	<u>612,553</u>	<u>691,667</u>	<u>627,657</u>

This financial statement should be read in conjunction with the accompanying notes to the financial statements.

**THE QUEENSLAND YACHTING ASSOCIATION LIMITED**  
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**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2008**

	Note	Consolidated Entity		Parent Entity	
		2008	2007	2008	2007
		\$	\$	\$	\$
<b>Cash Flows From Operating Activities</b>					
Receipts from members, customers and government		695,322	758,598	673,867	740,500
Payments to suppliers, clubs and employees		(544,136)	(757,146)	(532,420)	(743,215)
Interest received		7,975	4,839	7,971	4,539
Interest and other finance costs paid		(10,675)	(9,674)	(10,675)	(9,674)
Net cash (used in)/ generated from operating activities	15	<u>148,486</u>	<u>(3,383)</u>	<u>138,743</u>	<u>(7,850)</u>
<b>Cash Flows From Investing Activities</b>					
Payment for property, plant and equipment		(36,019)	(16,597)	(11,508)	(16,597)
Proceeds on sale of property, plant and equipment		4,547	-	-	-
Net cash used in investing activities		<u>(31,472)</u>	<u>(16,597)</u>	<u>(11,508)</u>	<u>(16,597)</u>
<b>Cash Flows From Financing Activities</b>					
Proceeds from borrowings		-	50,000	-	50,000
Net cash used in used in financing activities		<u>-</u>	<u>50,000</u>	<u>-</u>	<u>38,795</u>
Net increase in cash held		117,014	30,020	127,235	14,348
Cash at the beginning of the financial year		<u>88,568</u>	<u>58,548</u>	<u>72,896</u>	<u>58,548</u>
Cash at the end of the financial year	3	<u>205,582</u>	<u>88,568</u>	<u>200,131</u>	<u>72,896</u>

This financial statement should be read in conjunction with the accompanying notes to the financial statements.

**THE QUEENSLAND YACHTING ASSOCIATION LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2008**

**Note 1 - Statement of Significant Accounting Policies**

The financial report is a general purpose financial report that has been prepared in accordance with the Corporations Act 2001.

The Queensland Yachting Association Limited is a company Limited by Guarantee and is domiciled in Australia.

The financial report covers the Queensland Yachting Association Limited and Yachting North Queensland Pty Ltd as the consolidated entity and Queensland Yachting Association Limited as the parent entity.

**Basis of Preparation**

The report has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

No new Australian Accounting Standards that have been issued but are not yet effective have been applied in the preparation of this financial report. Such standards are not expected to have a material impact on the consolidated entity's financial report on initial application.

The financial report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values, or except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

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

**Basis of Consolidation**

The consolidated financial statements comprise the financial statements of The Queensland Yachting Association Limited and its subsidiary, Yachting North Queensland Pty Ltd at 30 June each year ("the Group"). Subsidiaries are entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Potential voting rights that are currently exercisable or convertible are considered when assessing control. Consolidated financial statements include all subsidiaries from the date that control commences until the date that control ceases. The financial statements of subsidiaries are prepared for the same reporting period as the parent, using consistent accounting policies.

All intercompany balances and transactions, including unrealised profits arising from intragroup transactions have been eliminated. Unrealised losses are also eliminated unless costs cannot be recovered.

**THE QUEENSLAND YACHTING ASSOCIATION LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2008**

**Note 1 - Statement of Accounting Policies (Continued)**

**Income Tax**

The principal activities of the company and its controlled entity are the encouragement and promotion of the recreation and sport of yachting, and to do all things that are incidental or conducive to it. Accordingly, the company and its controlled entity are exempt from income tax under Section 50-45 of the Income Tax Assessment Act 1997.

The directors are of the opinion that neither the company nor its controlled entity has undertaken or performed any activity which would in any way jeopardise its status as an exempt entity for income tax purposes during the financial year.

**Accounting Policies**

**Inventories**

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first in, first out basis.

**Property Plant and Equipment**

Property, plant and equipment are measured on the cost basis. The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal.

**Depreciation**

Depreciation is based on the prime cost and diminishing value methods of calculation. It is provided on all fixed assets so as to write-off the cost of the assets over their estimated useful lives to the consolidated entity.

The depreciation rates applied are:

Building	2.5%
Office furniture and equipment	10%-33%
Other plant and equipment	10%-27%

**Revenue**

The principal source of income, affiliation and banding fees, are levied by the company on its members. These fees cannot be fully controlled or verified until they are entered in the accounting records of the consolidated entity, and are recognised only on receipt. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

**THE QUEENSLAND YACHTING ASSOCIATION LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2008**

**Note 1 - Statement of Accounting Policies (Continued)**

**Employee Benefits**

Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related costs. This liability has been recognised as part of trade and other payables.

Other employee benefits payable later than one year have been measured based on the estimated future cash outflows to be made for those entitlements and has been recognised as part of provisions.

Contributions are made by the consolidated entity to employee superannuation funds and are charged as expenses when incurred.

**Net Fair Value**

The carrying amounts of cash, cash equivalents and non-interest bearing monetary financial assets and liabilities approximate their net fair value except for the investment in managed funds.

The investment in managed funds is recorded at cost. The carrying amount of the investment is written down when there is expected to be a permanent diminution in the recoverable amount of the investment. The recoverable amount is assessed based on the expected future cash flows from the investment.

**Cash and Cash Equivalents**

For the purposes of the statement of cash flows, cash includes cash on hand, at call deposits with banks or financial institutions, and money market assets maturing within less than two months and net of bank overdrafts.

**Goods and Services Tax (GST)**

All elements in the income statement are stated exclusive of GST. Receivables and payables in the balance sheet are stated inclusive of GST. GST received and paid during the financial year are stated at gross in the cash flow statement and are included in receipts from customers and payments to suppliers respectively.

**Accounting Estimates and Judgements**

There were no critical judgements required when applying the company's accounting policies.

There were no critical accounting estimates or assumptions required to be made by management at reporting date.

**Comparative Figures**

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

**THE QUEENSLAND YACHTING ASSOCIATION LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2008**

	Consolidated Entity		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
<b>Note 2 – Other Expenses from Ordinary Activities</b>				
Other expenses from ordinary activities include the following:				
Bad debts	-	206	-	206
Remuneration of auditor				
- Audit	6,201	8,768	6,201	8,768
Rental expense on operating leases	13,225	12,380	13,225	12,380
Depreciation	56,854	56,346	33,098	35,293
<b>Note 3 - Cash and Cash Equivalents</b>				
Cash at bank and on hand	83,722	29,010	78,271	13,338
Term deposits	121,860	59,558	121,860	59,558
	<u>205,582</u>	<u>88,568</u>	<u>200,131</u>	<u>72,896</u>
<b>Note 4 - Trade and Other Receivables</b>				
<u>Current</u>				
Trade Debtors	19,533	25,789	19,519	22,024
GST receivable	2,772	1,080	3,107	1,049
	<u>22,305</u>	<u>26,869</u>	<u>22,626</u>	<u>23,073</u>
<b>Note 5 - Inventories</b>				
Finished goods at cost	12,650	12,433	12,650	12,433
<b>Note 6 – Other Assets</b>				
Prepayments	4,736	1,544	4,736	1,544
<b>Note 7 – Other Financial Assets</b>				
YNQ loan account	-	-	109,961	109,961
Shares in controlled entity	-	-	12	12
	<u>-</u>	<u>-</u>	<u>109,973</u>	<u>109,973</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2008**

	Consolidated Entity		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
<b>Note 8 - Property, Plant and Equipment</b>				
Building, at cost	651,537	651,537	651,537	651,537
Less Accumulated depreciation	(58,244)	(41,603)	(58,244)	(41,603)
	<u>593,293</u>	<u>609,934</u>	<u>593,293</u>	<u>609,934</u>
Furniture and equipment, at cost	159,462	147,954	159,462	147,954
Less Accumulated depreciation	(103,621)	(88,162)	(103,621)	(88,162)
	<u>55,841</u>	<u>59,792</u>	<u>55,841</u>	<u>59,792</u>
Boats, trailers and other equipment, at cost	198,272	185,681	39,170	39,170
Less Accumulated depreciation	(119,308)	(103,181)	(35,360)	(34,363)
	<u>78,964</u>	<u>82,501</u>	<u>3,810</u>	<u>4,807</u>
Website at cost	3,880	3,880	3,880	3,880
Less Accumulated depreciation	(3,880)	(3,880)	(3,880)	(3,880)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>728,098</u>	<u>752,227</u>	<u>652,944</u>	<u>674,534</u>

Movements in property, plant and equipment during the year ended 30 June 2008 were as follows:

	Boats, Trailers and Other Equip	Furniture & Equipment	Buildings	Website	Total
Consolidated Entity:	\$	\$	\$	\$	\$
Carrying amount at beginning of financial year	82,501	59,792	609,934	-	752,227
Additions	24,511	11,508	-	-	36,019
Disposals	(3,294)	-	-	-	(3,294)
Depreciation	(24,754)	(15,459)	(16,641)	-	(56,854)
Carrying amount at end of financial year	<u>78,964</u>	<u>55,841</u>	<u>593,293</u>	<u>-</u>	<u>728,098</u>

Movements in property, plant and equipment during the year ended 30 June 2007 were as follows:

	Boats, Trailers and Other Equip	Furniture & Equipment	Buildings	Website	Total
Consolidated Entity:	\$	\$	\$	\$	\$
Carrying amount at beginning of financial year	104,780	61,923	626,575	844	794,123
Additions	-	16,597	-	-	16,597
Disposals	-	(1,500)	-	(647)	(2,147)
Depreciation	(22,279)	(17,229)	(16,641)	(197)	(56,346)
Carrying amount at end of financial year	<u>82,501</u>	<u>59,792</u>	<u>609,934</u>	<u>-</u>	<u>752,227</u>

**THE QUEENSLAND YACHTING ASSOCIATION LIMITED**  
**ABN 80 010 268 014**  
**AND CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2008**

	Consolidated Entity		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
<b>Note 9 - Payables</b>				
Trade creditors	70,102	19,791	65,242	17,498
Government subsidies received in advance	77,500	101,738	77,500	101,738
Annual leave	21,571	20,046	21,571	20,046
Other accruals	47,080	27,514	47,080	27,514
	<u>216,253</u>	<u>169,089</u>	<u>211,393</u>	<u>166,796</u>

Trade creditors are unsecured and are normally settled within 30 to 60 days.

**Note 10 - Interest Bearing Liabilities**

Commercial bill	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
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The commercial bill is secured by a fixed and floating charge over all the assets of the Queensland Yachting Association and by an uncalled capital mortgage over its lease at Manly.

**Note 11 - Commitments**

The Queensland Yachting Association Limited had lease commitments under a current operating lease contract at 30 June (excluding GST) as follows:

- due within one year	13,032	13,032	13,032	13,032
- due after one year and within five years	52,128	52,128	52,128	52,128
- due after five years	286,704	299,736	286,704	299,736
	<u>351,864</u>	<u>364,896</u>	<u>351,864</u>	<u>364,896</u>

The land occupied by the company is subject to a lease agreement. The lease agreement requires the payment of \$13,032 per year over 30 years.

**Note 12 - Segment Reporting**

The company operates in one business and geographical segment, being the encouragement and promotion of the recreation and sport of yachting within Australia.

**THE QUEENSLAND YACHTING ASSOCIATION LIMITED**  
**ABN 80 010 268 014**  
**AND CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2008**

**Note 13 - Remuneration of Directors**

No income was received or was due and receivable by the directors of the company.

The names of directors who have held office at any time during, or since the end of, the financial period are:

Odile Anderson	David McLean
Judith O'Donoghue	Ken Hurling (appointed October 2007)
David Thomson	Dayle Smith (resigned October 2007)
Greg Clarke	Glen Somerville (resigned October 2007)
Grant Somerville	Guy Chester (appointed August 2008)

**Note 14 - Related Party Transactions**

There have been no related party transactions this year.

Dayle Smith is a principal of Lyon Smith Commercial Lawyers. During the previous year there was a computer purchase of \$2,000 from Lyon Smith Commercial Lawyers. This payment was based on normal commercial terms.

	2008	2007	2008	2007
	\$	\$	\$	\$
<b>Note 15 - Reconciliation of Cash Flows from Operating Activities with Operating Results</b>				
Operating deficit	44,565	(56,385)	64,010	(41,281)
Non cash flows in operating result:				
Depreciation	56,854	56,346	33,098	35,293
Net (gain)/ loss on sale of property, plant and equipment	(1,252)	2,147	-	2,147
Changes in assets and liabilities:				
(Increase)/decrease in receivables	4,564	41,322	447	45,118
(Increase)/decrease in prepayments	(3,192)	12,818	(3,192)	12,818
(Increase)/decrease in inventories	(217)	77	(217)	77
Increase/(decrease) in payables	69,877	(66,965)	67,311	(69,279)
Increase/(decrease) in provision	1,525	3,438	1,524	3,438
Increase/(decrease) in income in advance	(24,238)	3,819	(24,238)	3,819
Cash flows from operating activities	<u>148,486</u>	<u>(3,383)</u>	<u>138,743</u>	<u>(7,850)</u>

The commercial bill facility available for the company totals \$250,000. The amount unused at year end was \$150,000.

**THE QUEENSLAND YACHTING ASSOCIATION LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2008**

**Note 16 – Financial Instruments**

**(a) Interest Rate Risk**

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

Cash bears a floating interest rate of 5.5%. The commercial bill is at a fixed interest rate of 7.86%.

All other significant financial assets and financial liabilities are non-interest bearing.

**(b) Credit Risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed in the balance sheet and notes to the financial statements.

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

**(c) Net Fair Values**

For the financial instruments their net fair value approximates their carrying value.

**Note 17 – Economic Dependency**

In the past the Association has received significant funding from Sport and Recreation Queensland under the Queensland Government's State Development Program. The current round of funding expires 31 December 2010.

**Note 18 - Subsequent Events**

Queensland Yachting Association Ltd is in the process of winding up Yachting North Queensland Pty Ltd. Subsequent to year end the assets of Yachting North Queensland have been transferred to North Queensland Sailing.

**THE QUEENSLAND YACHTING ASSOCIATION LIMITED  
ABN 80 010 268 014  
AND CONTROLLED ENTITY**

**DIRECTORS' DECLARATION  
FOR THE YEAR ENDED 30 JUNE 2008**

The directors of the consolidated entity declare that:

1. the financial statements and notes, as set out on pages 6 to 17 are in accordance with the Corporations Act 2001:
  - (a) comply with Australian Accounting Standards and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 30 June 2008 and performance for the year ended on that date of the consolidated entity.
2. in the directors' opinion there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



.....  
Director



.....  
Director

**Brisbane**  
Dated: 29 September 2008



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF THE QUEENSLAND YACHTING ASSOCIATION LIMITED

We have audited the accompanying financial report of The Queensland Yachting Association Limited, which comprises the balance sheet as at 30 June 2008, 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 of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

#### **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 Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **Auditor's Responsibility**

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE QUEENSLAND YACHTING ASSOCIATION LIMITED (continued)****Independence**

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001 and provided to the directors of The Queensland Yachting Association Limited would be in the same terms if provided to the directors as at the date of this auditor's report.

**Qualification**

Income from functions and activities is a significant source of income for the consolidated entity. This income is of such a nature that full control of receipts cannot be maintained until amounts are actually recorded through the consolidated entity's books. As there are no practical audit procedures to quantify the effect of this, we are unable to express an opinion on such receipts prior to them being recorded.

**Qualified Auditor's Opinion**

In our opinion, except for the effect on the financial report of such adjustments, if any, as might have been required had the limitation on our audit procedures referred to in the qualification paragraph not existed, the financial report of The Queensland Yachting Association Limited is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2008 and of their performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

**BDO Kendalls (QLD)***BDO Kendalls*

**A J Whyte**  
Partner

Brisbane

Date: 29 September 2008