

**HANG GLIDING FEDERATION
OF AUSTRALIA INC**

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

THE HANG GLIDING FEDERATION OF AUSTRALIA INC

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THE HANG GLIDING FEDERATION OF AUSTRALIA INC

Committee's Report

Your committee of members submit the financial accounts of the Hang Gliding Federation of Australia Inc for the financial year ended 30 June, 2008.

Committee Members

The names of committee members at the date of this report are:

Paul Coffey, Geoffrey White, Bill Moyes, Javier Alvarez, Don Cramer, Mark Mitsos, Brian Webb, Steven Clark.

Principal Activities

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

The Hang Gliding Federation of Australia Inc (HGFA) is a Sporting Association formed for the benefit of members involved in the sport of hang gliding and ultra light aircraft. Activities of HGFA include (but are not limited to):

- Coaching and training of operators, issuing of licenses for coaching, training and commercial purposes
- Organisation of domestic and international competitions eg World and Australia Championships.
- Promotion of the sport in Australia.
- Fulfilment of specified functions as defined by CASA.

Significant Changes

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

Operating Result

The profit from ordinary activities amounted to:

Year ended 30 June, 2008	Year ended 30 June, 2007
\$ 21,191	\$ 56,811

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

Javier Alvarez - President

Mark Mitsos - Treasurer

THE HANG GLIDING FEDERATION OF AUSTRALIA INC

**Statement by Members of the Committee
For the year ended 30 June 2008**

The committee have determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Committee the Income and Expenditure Statement, Statement of Financial Position and Notes to the Financial Statements:

1. Presents fairly the financial position of the Hang Gliding Federation of Australia Inc as at 30 June 2008 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that the association will be able to pay its debts as and when they fall due.

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

Javier Alvarez - President

Mark Mitsos - Treasurer

THE HANG GLIDING FEDERATION OF AUSTRALIA INC

**Income and Expenditure Statement
For the year ended 30 June 2008**

	2008	2007
	\$	\$
Income		
Membership income	552,401	579,782
Regional association fees	82,399	60,334
Certificate and registration fees	13,025	12,375
Insurance income	46,520	67,843
Grants received	60,625	58,917
Interest and investment income	23,440	28,091
Net profits on merchandise sales	10,978	2,082
Loss on skysailor publication	(50,554)	(77,578)
Sundry income	<u>747</u>	<u>2,806</u>
Total Income	<u>739,581</u>	<u>734,652</u>
 Expenses		
Accounting and Audit Services	5,773	4,000
Affiliation Fees	111,969	75,361
Bad and Doubtful Debts	(1,369)	1,573
Competition Expenses	1,370	13,083
Consultancy	-	9,569
Depreciation	3,466	6,546
Hire and Rental	9,766	11,739
Insurance	229,724	250,763
Provision for Employee Entitlements	(470)	9,965
Office Expenses	9,099	13,585
Office functions and relocation	21,834	-
Postage and Freight	36,427	26,274
Printing and Stationery	9,974	13,290
Legal Fees	1,302	-
Sundry Expenses	4,405	-
Repairs and Maintenance	356	1,372
Travel and Accommodation	50,632	26,330
Salary and Wages	144,850	170,984
Superannuation	13,187	15,634
Bank Charges	15,354	11,861
Telephone and Internet	<u>28,115</u>	<u>13,541</u>
Total Expenses	<u>695,764</u>	<u>675,470</u>
Operating Surplus	<u>43,817</u>	<u>59,182</u>
 Other Income / (Expense)		
Gain/(Loss) on revaluation of investment - UBS	(23,671)	285
Insurance recoveries	-	2,035
Profit / (Loss) on disposal of fixed assets	<u>1,045</u>	<u>(4,691)</u>
	<u>(22,626)</u>	<u>(2,371)</u>
 Net Surplus / (Deficiency) for the year	 <u>21,191</u>	 <u>56,811</u>

The accompanying notes form part of these financial statements

THE HANG GLIDING FEDERATION OF AUSTRALIA INC

**Statement of Financial Position
For the year ended 30 June 2008**

	Notes	2008 \$	2007 \$
CURRENT ASSETS			
Cash at Bank	2	249,054	222,632
Cash on Hand		57	865
Stock on Hand		13,280	15,573
Receivables	3	41,849	51,994
Other Current Assets		<u>-</u>	<u>165</u>
		<u>304,240</u>	<u>291,229</u>
NON CURRENT ASSETS			
Receivables	4	18,694	3,664
Investments	5	243,234	243,444
Plant and Equipment	6	<u>8,744</u>	<u>11,126</u>
		<u>270,672</u>	<u>258,234</u>
TOTAL ASSETS		<u>574,912</u>	<u>549,463</u>
CURRENT LIABILITIES			
Sundry Creditors and Accruals	7	49,894	43,075
Provisions	8	<u>8,934</u>	<u>11,495</u>
TOTAL LIABILITIES		<u>58,828</u>	<u>54,570</u>
NET ASSETS		<u>516,084</u>	<u>494,893</u>
Represented By:			
MEMBERS' FUNDS			
Opening Balance		494,893	435,082
Surplus for the year		<u>21,191</u>	<u>56,811</u>
Closing Balance		<u>516,084</u>	<u>494,893</u>

The accompanying notes form part of these Financial Statements

HANG GLIDING FEDERATION OF AUSTRALIA INCORPORATED

Notes to the Financial Statements For the year ended 30 June 2008

Note 1: Statement of Significant Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporations Act. The committee has determined that the association is not a reporting entity.

The report has been prepared in accordance with the requirements of the Associations Incorporation Act and the following Australian Accounting Standards:

AASB 1031: Materiality

No other Australian Accounting Standards, Urgent Issues Group Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values, or except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report:

(a) Revenue

Grant revenue is recognised in the income statement when it is controlled. Where there are conditions attached to grant revenue relating to the use of those grants for specific purposes it is recognised in the balance sheet as a liability until such conditions are met or services provided.

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

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

(b) Plant & Equipment

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all fixed assets are depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

(c) Income Tax

The Association is exempt from income tax.

(d) Inventory

Merchandise inventory is included at the lower of the cost and net realisable value. Costs are assigned on the basis of historical cost.

HANG GLIDING FEDERATION OF AUSTRALIA INCORPORATED

Notes to the Financial Statements For the year ended 30 June 2008

(e) Provisions

Employee Entitlements

(i) Short-term employee benefits

Liabilities for wages and salaries, annual leave that are expected to be settled within 12 months of reporting date are recognised in respect of employee service up to reporting date. They are measured using the wage and salary rates the entity expects, as at the reporting date, to pay on settlement, including related on-costs, such as workers' compensation insurance, superannuation.

(ii) Long Service Leave

Liability for long service leave is recognised based employee service up to the reporting date. It is measured at the present value of expected future payments relating to that past service. Consideration is given to expected future remuneration rates, past experience of employee turnover and past service. Accounts expected to settle more than twelve months after reporting date are discounted to present value using rates reflecting yields at reporting date on Australian government bonds which most closely match the terms of maturity of the related liabilities.

	2008	2007
	\$	\$
Note 2: Cash at Bank		
Main cheque account	88,499	53,053
Cash management account	59,822	74,388
Term deposit	<u>100,733</u>	<u>95,191</u>
	<u>249,054</u>	<u>222,632</u>
Note 3: Current Receivables		
Membership debtors	38,287	41,311
Less: Provision for doubtful debts	-	<u>(1,369)</u>
	<u>38,287</u>	<u>39,942</u>
Investment income receivable	<u>3,562</u>	<u>12,052</u>
	<u>41,849</u>	<u>51,994</u>
Note 4: Non-current Receivables		
Unsecured loans to:		
Canungra Hang Gliding Club (1)	3,664	3,664
North East Victorian Hang Gliding Club (2)	<u>15,030</u>	-
	<u>18,694</u>	<u>3,664</u>
(1) Interest free terms		
(2) 5 year term, interest rate set at 1% of variable cash rate, repayments due 15 March annually.		
Note 5: Investments		
Managed Investments – Units at cost	266,905	243,159
Add/(Less) change in market value	<u>(23,671)</u>	<u>285</u>
	<u>243,234</u>	<u>243,444</u>

HANG GLIDING FEDERATION OF AUSTRALIA INCORPORATED

Notes to the Financial Statements For the year ended 30 June 2008

	2008 \$	2007 \$
Note 6: Plant & Equipment		
Plant and Equipment at cost	26,436	32,987
Less: Accumulated Depreciation	<u>(17,692)</u>	<u>(21,861)</u>
	<u>8,744</u>	<u>11,126</u>
Note 7: Sundry Creditors and Accruals		
Unsecured:		
GST payable/(refundable)	(549)	4,390
Accounts payable	<u>50,443</u>	<u>38,685</u>
	<u>49,894</u>	<u>43,075</u>
Note 8: Provisions		
Employee entitlements		
Annual leave	<u>8,934</u>	<u>11,495</u>

INDEPENDENT AUDITOR'S REPORT

To the Members of:

The Hang Gliding Federation of Australia Inc.

For the Year Ended 30 June 2008

Scope

I have audited the financial report, being a special purpose financial report of The Hang Gliding Federation of Australia Incorporated which comprises Statement by Members of the Committee, Income and Expenditure Statement, Statement of Financial Position and the notes to the financial statements for the year ended 30 June 2008.

Committee's Responsibility for the Financial Report

The committee of the association is responsible for the preparation and fair presentation to the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are consistent with the financial reporting requirements of the Associations Incorporation Act NSW and are appropriate to meet the needs of the members. The committee's responsibilities also include establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimated that are reasonable in the circumstances.

Auditors Responsibility

My responsibility is to express an opinion on the financial report based on my audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

The financial report has been prepared for distribution to members for the purpose of fulfilling the committee's financial reporting under the Associations Incorporation Act NSW. I disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

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

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Opinion

In my opinion, the financial report of The Hang Gliding Federation of Australia Incorporated presents fairly, in all material respects the financial position of The Hang Gliding Federation of Australia Incorporated as of 30 June 2008 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Steven R Walker
Registered Company Auditor

Dated at Tumut
10 September 2008