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SQUASH AUSTRALIA LTD
A.C.N. 072 625 935

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2006

Bevin Schafferius
PO Box 10098 Adelaide Street
Level 5 99 Creek Street
Brisbane QLD 4000
Telephone: (07) 3221 2899
Facsimile: (07) 3220 0996

Squash Australia Ltd
ABN 73 072 625 935

FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2006

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Squash Australia Ltd
ABN 73 072 625 935

Director's Report

The directors submit herewith the Financial Statements and notes for the year ended 31 December 2006, and reporting in an accordance with a resolution of the directors as follows:

- 1) The following persons were directors during the whole of the financial year and up to the date of this report

John Holland
Sandie Davis (Resigned 22 April 2006)
Richard Best
Stephen Derbyshire
Carol Kawaljenko
Sarah Fitz-Gerald (appointed 22 April 2006)

- 2) The principle activities of the company during the financial year were as follows:
- to promote the sport of squash
- 3) The company is a non-profit organisation Limited by guarantee and pursuant to the Corporation Law and its Memorandum and Articles of Association the payment of dividends is not permitted.
- 4) Current activities in line with the Memorandum and Articles of Association and company policies have been maintained throughout the year and the operating results are set out in the accompanying Financial Statements.
- 5) There were no significant change in the state of affairs of the company during the year.
- 6) Particulars of matters or circumstances that may have arisen since the end of the financial year that have significantly affected or may affect:
- | | |
|--|------|
| a) the company's operations: | None |
| b) the results of those operations; | None |
| c) the company's state of affairs: | None |
| d) in future financial years as follows: | None |
- 7) 2007 will see the company focus on delivering operations in line with its 2009 Strategic Plan.
- 8) Critical components such as funding from the Australian Sports Commission and the status of the AIS Squash program are in place, as is a reviewed staff structure and recently appointed CEO.
- 9) The program to give rise to the Australian squash 'section' of the 2010 Commonwealth Games Team will be in its foundation stage this year.
- 10) Other than the items outlined above there are no material likely developments in the company's operations and the expected results of those operations in future financial years.
- 11) The company has not at any time granted to a person a option to have issued to them shares in the company.

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Director's Report

12) The company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the company;

a) indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or,

b) paid or agreed to pay a premium in respect of a contract insuring against liability for the costs or expenses to defend legal proceedings with the exception of the following matters:

The company has paid a premium in respect of a contract insuring against liability for the costs or expenses to defend legal proceedings and for the award of damages against officers and directors.

13) Particulars of director's qualifications and experience as at the date of this report are as follows:

<i>Name</i>	<i>Qualifications</i>	<i>Experience</i>
John Holland	Fellow Australian Institute of Management Certified Practising Manager Level 1 World Dragon Boat Official	30 years Company Senior Management 9 years Event Management 10 years Board Director/President
Richard Best	Bachelor of Business (Accounting and Management) Licensed Aircraft Maintenance Engineer Member Australian Institute of Management	40 years Sports Administration 10 years Senior Management Govt Dept. 16 years Board Director
Stephen Derbyshire	Diploma of Financial Services (Insurance Broking)	34 years Insurance Industry 27 years Company Director 8 years Board Director
Carol Kawaljenko		30 years Sports Administration 30 years Public Service Management 4 years Board Director 15 years Territory Management 25 years Regional Management
Sarah Fitz-Gerald	Level 1 Squash Coach	11 years Board Director/President 5 x World Squash Champion Commonwealth Games Gold Medallist Australian Athlete of the Year 2001, 2002 20 years International Coaching 5 years Australia Day Ambassador

Gary O'Donnell is the Company's Secretary and he was General Manager, Queensland Volleyball Association from 1994 – 2004, He was then Manager Sport Development - Strategy, Business Development Unit Sydney Olympic Park Authority from 2004 – 2006.

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Director's Report

14) During the financial year, four meetings of the company's directors were held. The number of meetings each director of the company attended is as follows:

<i>Name</i>	<i>Number held while director</i>	<i>Number attended</i>
John Holland	4	4
Sandie Davis	2	2
Richard Best	4	4
Stephen Derbyshire	4	4
Carol Kawaljenko	4	4
Sarah Fitz-Gerald	2	1

15) As a result of the introduction of Australian equivalents to International Financial Reporting Standards (IFRS) the company's financial report has been prepared in accordance with those standards. A reconciliation of the adjustments arising on the transition to the Australian equivalents of IFRS is included in Note 2 to this reporting

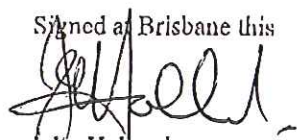
16) The company's operations are not regulated by any significant environmental regulation under the law of the Commonwealth or of a State or Territory

17) No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for any or all of these proceedings.

The company was not party to any such proceedings during the year

18) The lead auditor's independence declaration under Section 307C of the Corporations Act 2001 is set out on Page 4 and forms part of the Directors' Report for the year ended 31 December 2006

Signed at Brisbane this 30th day of March 2007


John Holland
Director.


Stephen Derbyshire
Director

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Auditor's Independent Declaration under Section 307C of the Corporations Act 2001

To the directors of Squash Australia Ltd

I declare that, to the best of my knowledge and belief, for the year ended 31 December 2006 there have been:

- i. no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the auditor; and,
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Signed at Brisbane on this *12* day of *March* 2007



BEVIN ROBERT SCHAFFERIUS
Registered Company Auditor

Squash Australia Ltd
ABN 73 072 625 935

INCOME STATEMENT FOR YEAR ENDED 31 DECEMBER 2006

	Note	2006	2005
Revenue	3	801,648	887,599
Depreciation and amortisation expense		(3,101)	(2,312)
Commonwealth Games costs		(113,324)	(185,547)
Employee benefits expense		(181,536)	(136,877)
High performance costs		(291,843)	(398,417)
Sport development costs		(89,677)	(94,167)
Squash Australia office costs		(47,913)	(108,703)
Other expenses		(25,724)	(23,659)
		<hr/>	<hr/>
Profit (Loss) before income tax		48,530	(62,083)
		<hr/>	<hr/>
Income tax expense	1a	-	-
		<hr/>	<hr/>
Profit / (Loss) from operations		48,530	(62,083)
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements

Squash Australia Ltd
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BALANCE SHEET AS AT 31 DECEMBER 2006

	Note \$	2006 \$	2005 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	252,324	154,410
Trade and other receivables	8	3,659	30,518
Inventories	9	<u>667</u>	<u>1,471</u>
TOTAL CURRENT ASSETS		<u>256,650</u>	<u>186,400</u>
NON CURRENT ASSETS			
Property, plant and equipment	10	<u>8,216</u>	<u>9,248</u>
TOTAL NON-CURRENT ASSETS		<u>8,216</u>	<u>9,248</u>
TOTAL ASSETS		<u>264,867</u>	<u>195,648</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	55,838	11,137
Other liabilities	11	16,892	41,926
Short-term provisions	12	<u>2,688</u>	<u>1,667</u>
TOTAL CURRENT LIABILITIES		<u>75,418</u>	<u>54,730</u>
TOTAL LIABILITIES		<u>75,418</u>	<u>54,730</u>
NET ASSETS		189,448	140,918
EQUITY			
Retained earnings		<u>189,448</u>	<u>140,918</u>
TOTAL EQUITY		<u>189,448</u>	<u>140,918</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31 DECEMBER 2006

	Note	Retained Earnings
		\$
Balance at 1 January 2005		203,002
Profit / (Loss) for the year		<u>(62,084)</u>
Balance at 31 December 2005		<u>140,918</u>
Balance at 1 January 2006		140,918
Profit(loss) for the year		<u>48,530</u>
Balance at 31 December 2006		<u>189,448</u>

The accompanying notes form part of these financial statements

Squash Australia Ltd
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CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		875,145	935,283
Payments to employees and suppliers		(748,794)	(1,014,570)
Interest received		5,447	7,718
GST paid/recovered		<u>(31,608)</u>	<u>(48,296)</u>
Net cash provided by (used in) operating activities	16a	<u>100,190</u>	<u>(119,865)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		<u>(2,276)</u>	-
Net cash provided by (used in) investing activities		<u>(2,276)</u>	-
Net increase/(decrease) in cash held		97,914	(119,865)
Cash at beginning of financial year		<u>154,410</u>	<u>274,275</u>
Cash at end of financial year	7	<u>252,324</u>	<u>154,410</u>

The accompanying notes form part of these financial statements

Squash Australia Ltd
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers Squash Australia Ltd as an individual entity. Squash Australia Ltd is a non-profit company Ltd by guarantee and, pursuant to the Corporations Law and its Memorandum & Articles of Association, the payment of a dividend is not permitted.

The financial report of Squash Australia Ltd complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

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

Basis of Preparation

First time adoption of Australian equivalents to International Financial Reporting Standards

Squash Australia Ltd has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS) from 1 January 2006.

In accordance with the requirements of AASB 1:First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments resulting from the introduction of AIFRS have been applied retrospectively to 2005 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied. These accounts are the first financial statements of Squash Australia Ltd to be prepared in accordance with AIFRS.

The accounting policies set out below have been consistently applied to all years presented. The company has elected to adopt the exemptions available under AASB 1 relating to AASB 132: Financial Instruments: Disclosure and Presentation, and AASB 139: Financial Instruments: Recognition and Measurement. Refer Note 2 for further details.

Reconciliations of the transition from previous Australian GAAP to AIFRS have been included in Note 2 to this report.

Reporting Basis and Conventions

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

Accounting Policies

a) Income Tax

No income tax is payable as the company directors believe that the company is an exempt organisation under Section 5-0 of the Income Tax Assessment Act 1997.

b) Property, Plant and Equipment

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

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

c) Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

Depreciation

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

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	2.5 – 30%
Plant & Equipment	5 – 40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

d) Leases

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

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

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

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

e) Financial Instruments Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the company's intention to hold these investments to maturity. Any held-to-maturity investments held by the company are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

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

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

f) Impairment of Assets

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

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

j) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

k) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

l) Cash and Cash Equivalents

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

m) Revenue

Revenue from grant income is recognised on an accruals basis.

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

o) Goods and Services Tax (GST)

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

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

p) Comparative Figures

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

q) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company. There were no key adjustments during the year which required accounting estimates or judgements.

NOTE 2: FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

Reconciliation of Equity at 1 Jan 2005	Note	Previous GAAP at 1 Jan 2005 \$	Effect of transition to AIFRS \$	AIFRS at 1 Jan 2005 \$
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents		274,275	-	274,275
Trade and other receivables		13,810	-	13,810
Inventories		2,340	-	2,340
TOTAL CURRENT ASSETS		<u>290,426</u>	-	<u>290,426</u>
NON CURRENT ASSETS				
Property, plant and equipment		11,560	-	11,560
TOTAL NON-CURRENT ASSETS		<u>11,560</u>	-	<u>11,560</u>
TOTAL ASSETS		<u>301,986</u>	-	<u>301,986</u>
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables		841	-	841
Current tax liabilities		21,117	-	21,117
Other		77,025	-	77,025
Short-term provisions		-	-	-
TOTAL CURRENT LIABILITIES		<u>98,984</u>	-	<u>98,984</u>
TOTAL LIABILITIES		<u>98,984</u>	-	<u>98,984</u>
NET ASSETS		<u>203,002</u>	-	<u>203,002</u>
EQUITY				
Retained earnings		203,002	-	203,002
TOTAL EQUITY		<u>203,002</u>	-	<u>203,002</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

NOTE 2: FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

Reconciliation of Equity at 31 Dec 2005	Note	Previous GAAP at 1 Jan 2006 \$	Effect of transition to AIFRS \$	AIFRS at 1 Jan 2006 \$
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents		154,410	-	154,410
Trade and other receivables		30,518	-	30,518
Inventories		1,471	-	1,471
TOTAL CURRENT ASSETS		<u>186,400</u>	-	<u>186,400</u>
NON CURRENT ASSETS				
Property, plant and equipment		9,248	-	9,248
TOTAL NON-CURRENT ASSETS		<u>9,248</u>	-	<u>9,248</u>
TOTAL ASSETS		<u>195,648</u>	-	<u>195,648</u>
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables		169	10,968	11,137
Current tax liabilities		10,968	(10,968)	-
Other		43,593	(1,667)	41,926
Short-term provisions		-	1,667	1,667
TOTAL CURRENT LIABILITIES		<u>54,730</u>	-	<u>54,730</u>
TOTAL LIABILITIES		<u>54,730</u>	-	<u>54,730</u>
NET ASSETS		<u>140,918</u>	-	<u>140,918</u>
EQUITY				
Retained earnings		140,918	-	140,918
TOTAL EQUITY		<u>140,918</u>	-	<u>140,918</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

NOTE 2: FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

Reconciliation of Profit and Loss for 2005	Note	Previous GAAP	Effect of transition to AIFRS	AIFRS
		\$	\$	\$
Revenues from ordinary activities	2.2	-	-	887,599
Employee benefits expense		-	-	(136,877)
Depreciation and amortisation expense		-	-	(2,312)
Commonwealth Games costs		-	-	(185,547)
High performance costs		-	-	(398,417)
Sport development costs		-	-	(94,167)
Squash Australia office costs		-	-	(108,703)
Other expenses from ordinary activities	2.2	-	-	(23,659)
Profit before income tax expense		-	-	(62,084)
Income tax expense		-	-	-
Profit after related income tax expense		-	-	(62,084)

Notes to the reconciliations of Equity and Profit and Loss at 1 January 2006 to 31 December 2006

- 2.1 Reclassifications have been made to the balance sheet for the year ended 31 December 2006 as follows:
Current tax liabilities have been reclassified as Trade and other payables and not as current tax liabilities.
- 2.2 Reclassifications have been made to the income statement for the year ended 31 December 2006 as follows:
Previously, a Income Statement has not been presented, it was a Detailed Income Statement and did not classify the expenditure by nature.
This reclassification has no effect on net profit for the 2006 financial year.

	Note	2006	2005
NOTE 3: REVENUE			
Operating Activities			
- Grants		602,533	698,242
- Other income		193,668	181,639
Interest received		5,447	7,718
Total Revenue		801,648	887,599

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

	2006 \$	2005 \$
Grants		
Grants Received	577,500	664,596
Add Opening Unexpended Grant	41,926	75,572
Less Closing Unexpended Grant	16,892	41,926
Total Revenue	<u>602,533</u>	<u>698,242</u>

NOTE 4: PROFIT (LOSS) BEFORE TAX

a) Expenses

Finance costs:

– external

– related entities

Total finance costs

-	-
-	-

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

	Short-term Benefits				Post Employment Benefit	Total
	Salary & Fees \$	Super- annuation Contrib \$	Bonus \$	Non-cash Benefits \$	Super- annuation \$	\$
2006						
Total compensation	75,808	6,823	-	-	-	82,631
2005						
Total compensation	58,274	5,245	-	-	-	63,519

NOTE 6: AUDITOR'S REMUNERATION

	2006 \$	2005 \$
Remuneration of the auditor		
– auditing or reviewing the financial report	2,975	2,155
– other services	-	-

NOTE 7: CASH AND CASH EQUIVALENTS

Cash at bank and in hand	<u>252,324</u>	<u>154,410</u>
	<u>252,324</u>	<u>154,410</u>
Cash earns interest at variable rates between 0.00% and 5.35%		
Reconciliation of cash		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash and cash equivalents	252,324	154,410
	<u>252,324</u>	<u>154,410</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006 \$	2005 \$
NOTE 8: TRADE AND OTHER RECEIVABLES			
CURRENT			
Trade debtors		<u>3,659</u>	<u>30,518</u>
 NOTE 9: OTHER CURRENT ASSETS			
Inventories		<u>667</u>	<u>1,471</u>
 NOTE 10: PROPERTY, PLANT AND EQUIPMENT			
PLANT AND EQUIPMENT			
Plant and Equipment – at cost		36,735	34,667
Accumulated depreciation		<u>(28,519)</u>	<u>(25,418)</u>
		<u>8,216</u>	<u>9,248</u>
 Total Property, Plant and Equipment		 <u>8,216</u>	 <u>9,248</u>
		Plant and Equipment	Total
		\$	\$
Balance at the beginning of year		9,248	9,248
Additions		2,069	2,069
Disposals		-	-
Revaluation increments/(decrements)		-	-
Depreciation expense		<u>(3,101)</u>	<u>(3,101)</u>
 Carrying amount at the end of year		 <u>8,216</u>	 <u>8,216</u>
 NOTE 11: TRADE AND OTHER PAYABLES			
CURRENT			
Trade payables		7,604	169
ASRRA Accumulated Fund		20,795	-
Credit cards payable		6,510	-
Employee benefits		8,280	5,572
GST payable		<u>12,650</u>	<u>5,397</u>
		<u>55,838</u>	<u>11,138</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

	2006	2005
NOTE 11 cont.: OTHER LIABILITIES	\$	\$
CURRENT		
Unexpended grant	16,892	41,926
	<hr/>	<hr/>
NOTE 12: PROVISIONS	\$	\$
CURRENT		
Employee entitlements	2,688	1,667
	<hr/>	<hr/>
NON CURRENT		
Employee entitlements	-	-
	<hr/>	<hr/>
	2,688	1,677
	<hr/>	<hr/>
Number of employees at year end	<hr/> 3	<hr/> 3

Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to unused time-off-in-lieu, unused annual leave and unused long service leave for employees.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits has been included in Note 1.

NOTE 14: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities at the date of this report.

NOTE 15: EVENTS AFTER THE BALANCE SHEET DATE

There are no significant events after the balance sheet date to report.

Squash Australia Ltd
ABN 73 072 625 935

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

	2006 \$	2005 \$
NOTE 16: CASH FLOW INFORMATION		
a) Reconciliation of Cash Flow from Operations with after Income Tax		
Profit after Income tax	48,530	-62,084
Non-cash flows in profit		
Depreciation	3,101	2,312
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase) decrease in trade and other receivables	26,860	-16,708
(Increase)/decrease in inventories	804	869
Increase/(decrease) in trade and other payables	7,435	-672
Increase/(decrease) in other liabilities	12,440	-43,795
Increase/(decrease) in provisions	1,020	213
	<u>100,190</u>	<u>-119,865</u>

b) Non-cash Financing and Investing Activities

There were no non-cash financing and investing activities during the year.

c) Credit Stand-by Arrangement and Loan Facilities

The company does not have any bank overdraft and commercial bill facilities

NOTE 17: SEGMENT REPORTING

The company operates in one business and geographical segment being the provision of employment services in Brisbane, Queensland, Australia.

NOTE 18: ECONOMIC DEPENDENCE

The continuation of the provision of sport promotion is dependent upon the continuation of grant income from the Australian Sport Commission.

NOTE 19: FINANCIAL INSTRUMENTS

a) Financial Risk Management

The main risks the company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

- i Interest rate risks
For details on interest rate risk refer to Note 19b.
- ii Liquidity risks
The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.
- iii Credit risks
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, net of any provisions for impairment of those assets, 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 receivable or group of receivables under financial instruments entered into by the company

Squash Australia Ltd
ABN 73 072 625 935

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

NOTE 19: FINANCIAL INSTRUMENTS

b) 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 average interest rates on those financial assets and financial liabilities, is as follows:

31 December 2006

	Average Interest Rate \$	Weighted Floating Interest Rate \$	Non- Interest Bearing \$	Total \$
Financial Assets				
Cash and cash equivalents	3.2%	252,324	-	252,324
Trade and other Receivables		-	3,659	3,659
		<u>252,324</u>	<u>3,659</u>	<u>255,983</u>
Financial Liabilities				
Trade and other payables		-	55,838	55,838
		<u>-</u>	<u>55,838</u>	<u>55,838</u>

31 December 2005

	Average Interest Rate \$	Weighted Floating Interest Rate \$	Interest Rate Maturing Within 1 year \$	Fixed Non- Interest Bearing \$	Total \$
Financial Assets					
Cash and cash equivalents	3.1%	154,410	-	-	154,410
Trade and other receivables	-	-	-	30,518	30,518
		<u>154,410</u>	<u>-</u>	<u>30,518</u>	<u>184,928</u>
Financial Liabilities					
Trade and other payables	-	-	-	11,137	11,137
		<u>-</u>	<u>-</u>	<u>11,137</u>	<u>11,137</u>

c) Net Fair Values

The net fair values of financial assets and liabilities approximate their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

Squash Australia Ltd
ABN 73 072 625 935

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

NOTE 20: CHANGE IN ACCOUNTING POLICY

c) The following Australian Accounting Standards issued or amended which are applicable to the company but are not yet effective and have not been adopted in preparation of the financial statements at reporting date.

AASB Amendment	AASB Standard Affected	Nature of Change in accounting Policy and Impact	Application Date of the Standard	Application Date for the Company
2005-6	AASB 1: first-time adoption of AIFRS	No change, no impact	1 January 2006	1 January 2007
	AASB 139: Financial instruments Recognition & Measurement	No change, no impact	1 January 2006	1 January 2007
2005-10	AASB 139: Financial instruments: Recognition & Measurement	No change, no impact	1 January 2007	1 January 2007
	AASB 101: Presentation of Financial statements	No change, no impact	1 January 2007	1 January 2007
	AASB 114: Segment Reporting	No change, no impact	1 January 2007	1 January 2007
	AASB 117: Leases	No change, no impact	1 January 2007	1 January 2007
	AASB 132: Financial Instruments Disclosure and presentation	No change, no impact	1 January 2007	1 January 2007
	AASB 1: First-time adoption of AIFRS	No change, no impact	1 January 2007	1 January 2007
New Standard	AASB 7: Financial instruments Disclosure	No change, no impact	1 January 2007	1 January 2007

All other pending Standards issued between the previous financial report and the current reporting date have no application to either the parent or the economic entity.

AASB Amendment	AASB Standard affected
2004-3	AASB 1: First time Adoption of AIFRS AASB 101: Presentation of Financial Statements AASB 124: Related Party Disclosures
2005-1	AASB 139: Financial instruments: Recognition and Measurement
2005-2	AASB 1023: General Insurance Contracts
2005-4	AASB 139: Financial Instruments: Recognition and Measurement AASB 132: Financial Instruments: Disclosure and Presentation
2005-06	AASB 3: Business Combinations
2005-9	AASB 4: Insurance Contracts AASB 1023: General Insurance Contracts AASB 139: Financial Instruments: Recognition and Measurement AASB 132: Financial Instruments: Disclosure and Presentation
2005-10	AASB 133: Earnings per share AASB 4: Insurance Contracts AASB 1023: Life Insurance Contracts AASB 1038: Life Insurance Contracts
2006-1	AASB 121: The Effects of Changes in Foreign Exchange Rates New Standardised AASB 119: Employee Benefits: December 2004

Squash Australia Ltd
ABN 73 072 625 935

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

NOTE 21: COMPANY DETAILS

The registered office and principle place of business is:

Squash Australia Ltd

Sports House – Office 9

Cnr Castlemaine & Caxton Streets

Milton Qld 4064

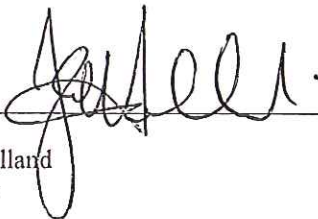
Squash Australia Ltd
ABN 73 072 625 935

DIRECTORS' DECLARATION


The directors of the company declare that:

- 1 The financial statements and notes, as set out on pages 1 to 21 are in accordance with the Corporations Act 2001.
 - a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - b) give a true and fair view of the financial position as at 31 December 2006 and of the performance for the year ended on that date of the company and economic entity.
- 2 in the directors' opinion there are reasonable grounds to believe that the company 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.



John Holland
Director



Stephen Derbyshire
Director

Dated this 8th day of March 2007

Squash Australia Ltd
ABN 73 072 625 935

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF SQUASH AUSTRALIA LTD

Scope

The financial report and directors' responsibility

The financial report comprises the income statement, balance sheet, statement of changes in equity, cash flow statement, accompanying notes to the financial statements, and the directors' declaration for Squash Australia Ltd (the company) for the year ended 31 December 2006 as set out on pages 1 to 22.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Company's Constitution, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements

Audit Opinion

In our opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of Squash Australia Ltd as at 31 DECEMBER 2006, and the results of its operations and its cash flows for the year then ended.



BEVIN ROBERT SCHAFFNERIUS

REGISTERED COMPANY AUDITOR

Dated this 12 day of March 2007

Squash Australia Ltd ACN 072 625 935
Detailed Statement of Financial Performance
For the year ended 31 December 2006

	2006 \$	2005 \$
Income		
Sale of Merchandise	5,944	8,572
Affiliation	112,223	109,273
Annual Report Advertisements	1,300	0
Interest	5,447	7,718
Grants	602,533	698,242
Sundry Income	24,376	22,566
Sponsorship	30,313	30,862
Coaching	19,513	10,366
Total income	<u>801,648</u>	<u>887,599</u>
Expenses		
A.C.G- Junior Squad	18,772	17,228
Commonwealth Games	72,321	108,074
Domestic Tournaments	15,000	20,213
Club Development Network	20,000	47,455
Coaching - Sport Development	10,117	32,660
Coaching - High Performance	36,284	26,629
High Performance Manager	12,486	11,000
Junior International Tours	56,401	88,361
Junior World Championship Team	19,910	39,281
M2006- Liaison Officer/ TOTP	22,231	60,245
Meeting Costs	7,583	16,546
Media Liaison Officer	11,133	18,267
National Talent Squad	17,896	28,706
National Coaching Director	42,800	17,417
National Competitions & World Doubles	43,880	55,121
National Competitions Manager	16,889	13,750
Payments to States	26,415	35,081
Referees/Officials	33,304	42,501
Senior World Championship	39,422	27,096
Sport Development	50,352	0
Squash Australia Office Costs	179,923	237,795
World Games	0	6,257
Total expenses	<u>753,118</u>	<u>949,683</u>

The accompanying notes form part of these financial statements.

Squash Australia Ltd ACN 072 625 935
Detailed Statement of Financial Performance
For the year ended 31 December 2006

	2006 \$	2005 \$
Profit from Ordinary Activities before income tax	48,530	(62,084)

The accompanying notes form part of these financial statements.

