

QUEENSLAND NEWSAGENTS FEDERATION LTD
ABN 67 011 035 457
AND CONTROLLED ENTITY

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2011

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QUEENSLAND NEWSAGENTS FEDERATION LTD
ABN 67 011 035 457
AND CONTROLLED ENTITY
DIRECTORS REPORT

Your directors present their report on the company and its controlled entities for the year ended 30 June 2011.

1. DIRECTORS

The name of directors in office at any time during or since the end of the year are:-

David **ROSS** (President)
 Lance **BARRETT** (Senior Vice President)
 David **SINCLAIR** (Junior Vice President) (accepted Jan 2011 – resigned Jun 2011)
 James **CASSIMATIS**
 Graham (max) **SHORT** (resigned Dec 2010)
 Tony **PHILBRICK**
 Ivan **OLIVER**
 Rodney **BRADLEY** (accepted Jan 2011)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.
 For further information on the Directors please See inside the front cover.

2. PRINCIPAL ACTIVITIES OF THE CONSOLIDATED GROUP

Queensland Newsagents Federation Ltd (QNF) is a company limited by guarantee. If the Company is wound up, the Memorandum of Association state that each member could be required to contribute a maximum of up to \$50 each towards meeting any outstanding obligations of the Company. At 30 June 2011 the number of members was 527.

The principal activities of the consolidated group during the year included the provision of membership benefits and services through the use of insurance introductions, Newsgas, Newsfleet, industry training and related industry matters. QNF's 100% controlled entity QNF Commercial Pty Ltd continues the conduct of a business broking agency dealing in the sale of newsagency businesses.

There were no significant changes in the nature of the consolidated group's principal activities during the financial year.

3. OPERATING RESULTS & REVIEW OF OPERATIONS

The consolidated net loss for the consolidated group for the year was \$54,397 (2010: Profit \$192,479) after deducting income tax expense of \$NIL. The consolidated group achieved revenue for the year of \$794,717 (2010: \$1,106,853) which arose primarily from membership subscriptions, endorsement commission, training school income, government grants, function proceeds and commissions from the sale of newsagencies.

4. MEETINGS OF DIRECTORS

During the financial year, 12 meetings of Directors were held. Attendance's were –

Name	Number eligible to attend	Number attended
Jim Cassimatis	12	12
David Ross	12	10
Graham (Max) Short	12	10
Tony Philbrick	12	10
Lance Barrett	12	12
Rodney Bradley	6	6
David Sinclair	5	5
Ivan Oliver	12	8

QUEENSLAND NEWSAGENTS FEDERATION LTD
ABN 67 011 035 457
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DIRECTORS REPORT

5. AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2011 has been received and can be found below.

FOR AND ON BEHALF OF THE BOARD



D ROSS
Director



A PHILBRICK
Director

Brisbane
Dated: 15/04/2011

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF QUEENSLAND NEWSAGENTS FEDERATION LTD

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 there have been

- (1) no contravention's of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (2) no contravention's of any applicable code of professional conduct in relation to the audit.

Focus Professional Group
Level 5, 57 The Esplanade
PO Box 483
COTTON TREE QLD 4558



Allen W Hertel FCA
Registered Company Auditor

Dated: 15/04/2011

QUEENSLAND NEWSAGENTS FEDERATION LTD
ABN 67 011 035 457
AND CONTROLLED ENTITY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Note	Consolidated Group		Parent Entity	
		2011	2010	2011	2010
		\$	\$	\$	\$
Revenue	2	794,717	1,106,853	663,946	613,196
Other revenue	2	0	1,450	0	0
Employee benefits expense		426,303	646,771	318,892	297,709
Depreciation and amortisation expense		8,872	6,495	8,670	3,052
Other expenses		413,939	262,558	264,648	172,594
Profit/(Loss) before income tax		(54,397)	192,479	71,736	139,841
Income tax expense		0	0	0	0
Profit/(Loss) attributable to members of the parent entity		(54,397)	192,479	71,736	139,841

The accompanying notes form an integral part of these accounts.

QUEENSLAND NEWSAGENTS FEDERATION LTD

ABN 67 011 035 457

AND CONTROLLED ENTITY

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2011

	Note	Consolidated Group		Parent Entity	
		2011	2010	2011	2010
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalent	4	3,301	55,711	2,215	52,579
Trade and other receivables	5	215,704	206,139	214,704	199,666
Other current assets - prepayments		20,150	8,942	8,631	6,285
TOTAL CURRENT ASSETS		239,155	270,792	225,550	258,530
NON CURRENT ASSETS					
Trade and other receivables	5	0	0	335,897	197,757
Investments	6	701	701	705	705
Plant and equipment	8	24,224	9,778	23,719	9,071
TOTAL NON-CURRENT ASSETS		24,925	10,479	360,321	207,533
TOTAL ASSETS		264,080	281,271	585,871	466,063
CURRENT LIABILITIES					
Trade and other payables	9	138,626	109,387	130,988	90,774
Member subscriptions in advance		105,030	106,005	105,030	106,005
Employee entitlements	10	19,553	12,433	17,716	10,705
TOTAL CURRENT LIABILITIES		263,209	227,825	253,734	207,484
NON CURRENT LIABILITIES					
Employee entitlements	10	8,387	6,565	8,387	6,565
TOTAL NON CURRENT LIABILITIES		8,387	6,565	8,387	6,565
TOTAL LIABILITIES		271,596	234,390	262,121	214,049
NET ASSETS		(7,516)	46,881	323,750	252,014
EQUITY					
Reserves	11	29,587	58,284	25,904	54,601
Retained earnings		(37,103)	(11,403)	297,846	197,413
TOTAL EQUITY		(7,516)	46,881	323,750	252,014

The accompanying notes form an integral part of these accounts.

QUEENSLAND NEWSAGENTS FEDERATION LTD

ABN 67 011 035 457

AND CONTROLLED ENTITY

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2011

CONSOLIDATED GROUP	<i>Note</i>	Asset Revaluation Reserve	Promotions Levy Reserve	Retained Earnings	Total
		\$	\$	\$	\$
BALANCE AT 1 JULY 2009		29,587	28,697	(203,884)	(145,600)
Net Profit / (Loss)				192,479	192,479
BALANCE AT 30 JUNE 2010		29,587	28,697	(11,405)	46,879
Net Profit / (Loss)				(54,397)	(54,397)
Transfers to and from reserves					2
- promotions levy reserve			(28,697)	28,697	
Transfers from retained profits					
BALANCE AT 30 JUNE 2011		<u>29,587</u>	<u>0</u>	<u>(37,105)</u>	<u>(7,516)</u>
 PARENT ENTITY					
BALANCE AT 1 JULY 2009		25,904	28,697	57,569	112,170
Net Profit / (Loss)				139,841	139,841
Transfers to and from reserves					3
BALANCE AT 30 JUNE 2010		25,904	28,697	197,410	252,014
Net Profit / (Loss)				71,736	71,739
Transfers to and from reserves			(28,697)	28,697	(3)
BALANCE AT 30 JUNE 2011		<u>25,904</u>	<u>0</u>	<u>297,843</u>	<u>323,750</u>

The accompanying notes form an integral part of these accounts.

QUEENSLAND NEWSAGENTS FEDERATION LTD
ABN 67 011 035 457
AND CONTROLLED ENTITY
STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2011

	Note	Consolidated Group		Parent Entity	
		2011	2010	2011	2010
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		855,150	1,320,561	652,229	706,193
Payments to suppliers and employees		(886,992)	(1,237,591)	(682,025)	(623,896)
Interest received		1,908	862	1,908	860
Net cash provided by (used in) operating activities	13	(29,934)	83,832	(27,888)	83,157
CASH FLOW FROM INVESTING ACTIVITIES					
Proceeds from sale of plant & equipment		(22,476)	13,000	(22,476)	0
Purchase of plant & equipment			(6,904)		(6,178)
Net cash provided by (used in) investing activities		(22,476)	6,096	(22,476)	(6,178)
CASH FLOW FROM FINANCING ACTIVITIES					
Repayments of borrowings					
Repayment to related party					
Net cash provided by (used) in financing activities		0	0	0	0
Net increase in cash held		(52,410)	89,928	(50,364)	76,979
Cash at beginning of financial year		55,711	(34,217)	52,579	(24,400)
Cash at end of financial year	4	3,301	55,711	2,215	52,579

The accompanying notes form an integral part of these accounts.

QUEENSLAND NEWSAGENTS FEDERATION LTD
ABN 67 011 035 457
AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australia Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, event and conditions. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report covers the consolidated group of Queensland Newsagents Federation Ltd and controlled entity, and Queensland Newsagents Federation Ltd as an individual parent entity. Queensland Newsagents Federation Limited is a public company limited by guarantee, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

(a) Principles of Consolidation

A controlled entity is any entity over which Queensland Newsagents Federation Ltd has the power to govern the financial and operating policies of so as to obtain benefits from its activities.

A list of controlled entities is contained in Note 12 to the financial statements.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. All inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

(b) Income Tax

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

QUEENSLAND NEWSAGENTS FEDERATION LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(c) Plant and Equipment

Plant and equipment are carried at cost, less where applicable, any accumulated depreciation or amortisation.

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 depreciable amount of all fixed assets including capitalised leased assets are depreciated on either a straight line basis or the diminishing value basis over their estimated useful lives to the consolidated group commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	9-40%
Leased Plant and Equipment	12-22%

(d) Leases

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

Finance leases are capitalised, recording an asset and a liability equal to 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 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 consolidated group will obtain ownership of the asset 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) Employee Benefits

Provision is made for the consolidated group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave, sick leave and long service leave which will be settled after one year, have been measured at their nominal amount.

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

QUEENSLAND NEWSAGENTS FEDERATION LTD
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FOR THE YEAR ENDED 30 JUNE 2011

(f) Cash and Cash Equivalents

Cash and cash equivalents include 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 short-term borrowings in current liabilities on the balance sheet.

(g) Revenue

Revenue includes commissions from the sale of newsagencies, members' subscriptions, endorsement commissions, Trade Fair organisation income, and in the case of the company, an administration charge to the controlled entity.

(h) Good 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 statement of financial position 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.

(i) Comparative Figures

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

(j) Going Concern Basis

The financial statements have been prepared on a going concern basis. The directors remain confident the consolidated group will continue to satisfy the going concern requirements.

QUEENSLAND NEWSAGENTS FEDERATION LTD
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AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS

2. Revenue	Note	Consolidated Group		Parent Entity	
		2011	2010	2011	2010
Operating activities:		\$	\$	\$	\$
- Commission QNF sales		188,743	544,971		
- Members' subscriptions - QNF		373,326	310,931	373,326	310,931
- Insurance commission		114,711	100,662	114,711	100,662
- Newsgas commission		6,203	4,598	6,203	4,598
- Newsfinance commission		3,600	3,600	3,600	3,600
- Administration charge to subsidiary				54,000	52,000
- Administration charge other		9,600	9,600	9,600	9,600
- Market fair rebate		0	13,636	-	13,636
- Training School		10,245	14,140	10,245	14,140
- Sundry income		21,019	9,735	19,591	9,735
- Interest		1,908	862	1,908	860
- Registrations		12,547	12,447	12,547	12,447
- Sponsorships		28,509	45,641	28,509	45,641
- Journal Advertising		24,306	30,146	24,306	30,146
- Rent		0	5,884	5400	5,200
Total Revenue		794,717	1,106,853	663,946	613,196
Non-operating activities					
- Gain/(Loss) on sale of motor vehicle		0	1,450		0

QUEENSLAND NEWSAGENTS FEDERATION LTD
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NOTES TO THE FINANCIAL STATEMENTS

3. Profit	Note	Consolidated Group		Parent Entity	
		2011	2010	2011	2010
Profit from ordinary activities before income tax has been determined after:					
(a) Expenses					
Auditor Remuneration		0	0	0	0
- audit services		13,665	12,000	10,565	12,000
- other services		0	6,766	0	3,176
Bad debts written off		3,000	0	3,000	0
Key management personnel compensation		200,298	160,689		

4. Cash & Cash Equivalents	Note	Consolidated Group		Parent Entity	
		2011	2010	2011	2010
		\$	\$	\$	\$
Cash at bank		2,901	55,311	1815	52,179
Cash on hand		400	400	400	400
		<u>3,301</u>	<u>55,711</u>	<u>2,215</u>	<u>52,579</u>

5. Trade & Other Receivables

Current

Trade Receivables	216,517	207,662	215,517	201,189
Deduct provision for doubtful debts	(813)	(1,523)	(813)	(1,523)
	<u>215,704</u>	<u>206,139</u>	<u>214,704</u>	<u>199,666</u>

Non Current

Loan - Related Parties	0	0	335,897	197,757
	<u>0</u>	<u>0</u>	<u>335,897</u>	<u>197,757</u>

6. Investments Non Current

Investments Accounted for Using the Equity Method

Shares in subsidiary company (note 7)	-	-	4	4
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Other Financial Assets

Shares in Australian Stationery Distributors Ltd	700	700	700	700
Shares in Newspower Aust. Pty Ltd	1	1	1	1
	<u>701</u>	<u>701</u>	<u>705</u>	<u>705</u>

7. Controlled Entities

Parent Entity

2011 2010

Queensland Newsagents Federation Ltd ACN 011 035 457

Subsidiaries of Queensland Newsagents Federation Ltd

QNF Commercial Pty Ltd (formally known as Newsagency Sales (Qld) Pty Ltd) ACN 009 841 347 * 100% * 100%

QUEENSLAND NEWSAGENTS FEDERATION LTD
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NOTES TO THE FINANCIAL STATEMENTS

8. Plant and Equipment	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
Plant and Equipment	130,532	107,214	121,133	97,815
Accumulated depreciation	(106,308)	(97,436)	(97,414)	(88,744)
Total Plant and Equipment	24,224	9,778	23,719	9,071

a. Movements in Carrying Amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year.

	Leased Assets	Plant & Equip Assets	Total
<u>Consolidated group:</u>			
Balance at 1 July 2009	13,456	6,280	19,736
Additions	0	6,905	6,905
Disposals	(10,368)	0	(10,368)
Depreciation/Amortisation expense	(3,088)	(3,407)	(6,495)
Balance at 30 June 2010	0	9,778	9,778
Additions	-	23,317	23,317
Disposals	-	-	0
Depreciation/Amortisation expense	-	(8,872)	(8,872)
Balance at 30 June 2011	0	24,223	24,223

Parent Entity:

Balance at 1 July 2009	0	5,945	5,945
Additions	-	6,178	6,178
Disposals	-	-	0
Depreciation/Amortisation expense	-	(3,052)	(3,052)
Balance at 30 June 2010	0	9,071	9,071
Additions	-	23,317	23,317
Disposals	-	-	0
Depreciation/Amortisation expense	-	(8,670)	(8,670)
Balance at 30 June 2011	0	23,718	23,718

9. Trade and other Payables

Current	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
Trade payables	142,050	115,403	135,298	96,747
Sundry payables and accrued expenses	284	(115)	284	0
Branch Administration fees		2,602		2,602
GST provision	(3,708)	(8,503)	(4,594)	(8,575)
	138,626	109,387	130,988	90,774

QUEENSLAND NEWSAGENTS FEDERATION LTD
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AND CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
10. Provisions	\$	\$	\$	\$
Current				
Employee benefits	19,553	12,433	17,716	10,705
Non-Current				
Employee benefits	8,387	6,565	8,387	6,565
Aggregate employee benefits liability	27,940	18,998	26,103	17,270
Number of employees at year end	8	6	7	4
11. Reserves				
Asset revaluation reserve	29,587	29,587	25,904	25,904
Promotions Levy reserve		28,697		28,697
	29,587	58,284	25,904	54,601

The asset revaluation reserve records revaluation of non-current assets.

The promotions levy reserve records receipts from members and expenses paid for promotion activities.

12. Segment Information

The economic entity operates within Queensland, Australia. Income is derived primarily from commission from the sale of newsagencies, member subscriptions, insurance and News gas commissions.

13. Cashflow Information

(a) Reconciliation of Cash Flow from

Operations with Profit after Income Tax

Profit after income tax	(54,396)	192,479	71,736	139,841
Non-cash flows in Operating Profit				
Depreciation	8,468	6,495	8,670	3,052
Profit on Sale of fixed assets		(1,450)		
Fringe Benefits Tax		(50,473)		(50,473)
(Increase)/Decrease in Loan related party	0	0	(138,141)	32,272
(Increase)/Decrease in Trade Debtors	(23,511)	(31,490)	(10,519)	(25,017)
(Increase)/Decrease in Prepayments	(11,207)	(8,818)	(2,345)	(6,285)
Increase/(Decrease) in Accruals	0	(59,906)	0	(38,735)
Increase/(Decrease) in Trade Creditors	50,455	14,370	38,551	5,877
Increase/(Decrease) in Other Creditors	(3,843)	(9,141)	284	(9,141)
Increase/(Decrease) in Income in Advance	(975)	27,425	(975)	27,425
Increase/(Decrease) in GST Payable	(3,982)	8,524	(3,982)	8,524
Increase/(Decrease) in Employee Provisions	9,057	(4,183)	8,833	(4,183)
Cash flows from operations	(29,934)	83,832	(27,888)	83,157

QUEENSLAND NEWSAGENTS FEDERATION LTD
ABN 67 011 035 457
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NOTES TO THE FINANCIAL STATEMENTS

14. Related party information

Directors

The Directors named in the attached Directors' report each held office as a Director of the company as follows -

Messrs D Ross, J Cassimatis, G Short, A Philbrick, L Barrett, D Sinclair, R Bradley and I Oliver for the full year ended 30 June 2011.

Ownership interests in related parties

Interests held in the controlled entity is set out in Note 7 to the accounts.

Transactions with related parties

Remuneration received or receivable by the Directors of Companies in the consolidated group are disclosed in Note 3 to the accounts.

All transactions with related parties are made on normal commercial terms and comprise normal current account transactions.

15. FINANCIAL RISK MANAGEMENT

The group's financial instruments consist mainly of cash deposits with the bank, accounts receivable, accounts payable and leases. These are short term in nature and carrying value is equivalent to fair value. The directors' risk management strategy seeks to assist the group in meeting its financial objects as set out in the Constitution whilst minimising potential adverse effects on financial performance. The group is exposed to liquidity risk which arises from the possibility that the group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The group manages this risk by preparing and regularly analysing cash flows and budgets; managing credit risk relating to the financial instruments and maintaining a reputable credit profile. The group has no significant or material concentration of credit risk exposure with any single counterparty or group of counterparties.

16. MEMBERS' GUARANTEE

The Company is limited by guarantee. If the Company is wound up, the Memorandum of Association state that each member could be required to contribute a maximum of up to \$50 each towards meeting any outstanding obligations of the Company. At 30 June 2011 the number of members was 527.

17. COMPANY DETAILS

The registered office of the company is:
58 Pineapple Street, Zillmere, Qld, 4034

The principal places of business are:
58 Pineapple Street, Zillmere, Qld, 4034

QUEENSLAND NEWSAGENTS FEDERATION LTD
ABN 67 011 035 457
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DIRECTORS DECLARATION

The directors of the company declare that:

- (1) The financial statements and notes, as set out above
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2011 and performance for the year ended on that date of the company and consolidated group;
- (2) In the director's 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.



D ROSS
Director



A PHILBRICK
Director

Brisbane
Dated this 15th day of September 2011.

QUEENSLAND NEWSAGENTS FEDERATION LTD
ABN 67 011 035 457
AND CONTROLLED ENTITY
INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
QUEENSLAND NEWSAGENTS FEDERATION LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Queensland Newsagents Federation Ltd (the company) and Queensland Newsagents Federation Ltd and Controlled Entity (the consolidated entity), which comprises the statements of financial position as at 30 June 2011, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entity it controlled at the years end.

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 and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 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 complied with the independence requirements of the *Corporations Act 2001*.

Audit Opinion

In our opinion, the financial report of the company and consolidated entity are in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.



Allen W Hertel
Registered Company Auditor

Dated: 15/09/2011

SCANNED