

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

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Your directors present their report on the company and its controlled entities for the year ended 30 June 2010.

**1. DIRECTORS**

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

James CASSIMATIS (President)  
David ROSS (Senior Vice President)  
Lance BARRETT (Junior Vice President)  
Graham (max) SHORT  
Tony PHILBRICK  
Ivan OLIVER  
Rosemary HUME

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

**2. PRINCIPAL ACTIVITIES OF THE CONSOLIDATED GROUP**

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 and the conduct of a business broking agency dealing in the sale of newsagencies.

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

**3. OPERATING RESULTS**

The consolidated net profit/(loss) for the consolidated group for the year was \$192,479 (2009: (\$57,926)) after deducting income tax expense of \$NIL.

**4. DIVIDENDS**

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

**5. REVIEW OF OPERATIONS**

The consolidated group achieved revenue for the year of \$1,106,853 (2009: \$675,136) which arose primarily from membership subscriptions, endorsement commission, training school income, Trade Fair organisation income, function proceeds and the substantial increase in commissions from the sale of newsagencies.

**6. CHANGES IN STATE OF AFFAIRS**

There were no significant changes in the state of affairs of the Company during the year.

**7. EVENTS SUBSEQUENT TO BALANCE DATE**

There are ongoing and confidential discussions regarding a proposed alliance with the Australian Newsagents Federation Ltd. Apart from this, since the end of the financial year the Directors are not aware of any matter or circumstances not otherwise dealt with in the report or consolidated accounts that has significantly or may significantly effect the operations of the consolidated group, the results of those operations or the state of affairs of the consolidated group in subsequent financial years.

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**AND CONTROLLED ENTITY**  
**DIRECTORS REPORT**

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**8. FUTURE DEVELOPMENTS**

The consolidated group expects to maintain the present status and level of operations. The Board are proceeding with formalising its proposed alliance agreement with Australian Newsagents Federation Ltd (ANF).

**9. INFORMATION ON DIRECTORS**

See inside front cover.

**10. 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
Ivan Oliver	12	8
Rosemary Hume	8	8

**11. DIRECTORS AND AUDITORS INDEMNIFICATION**

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 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; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings;

with the exception of the following -

During the financial year the company has paid premiums to insure the company's Directors and Officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director or Officer of the company, other than conduct involving a wilful breach of duty in relation to the company.

**QUEENSLAND NEWSAGENTS FEDERATION LTD**  
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**AND CONTROLLED ENTITY**  
**DIRECTORS REPORT**

**12. DIRECTORS BENEFITS**

No Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the accounts) by reason of a contract made by the Company, a controlled entity or a related body corporate with the Director or with a firm of which the Director is a member, or with an entity in which the Director has a substantial financial interest.

**13. PROCEEDINGS ON BEHALF OF COMPANY**

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 all or any part of those proceedings.

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

**14. NON-AUDIT SERVICES**

The board of directors are satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees for non-audit services were paid/payable to the external auditors during the ended 30 June 2010:

Accounting/Taxation Services	\$6,766
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**15. AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration for the year ended 30 June 2010 has been received and can be found on page 4.

FOR AND ON BEHALF OF THE BOARD

  
\_\_\_\_\_  
J CASSIMATIS  
Director

  
\_\_\_\_\_  
A PHILBRICK  
Director

Brisbane  
Dated this 14 day of September 2010.

**QUEENSLAND NEWSAGENTS FEDERATION LTD**

ABN 67 011 035 457

**AND CONTROLLED ENTITY**

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

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I declare that, to the best of my knowledge and belief, during the year ended 30 June 2010 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



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Allen W Hertel

Dated: 14/9/2010

**QUEENSLAND NEWSAGENTS FEDERATION LTD**  
**ABN 67 011 035 457**  
**AND CONTROLLED ENTITY**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2010**

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	Note	Consolidated Group		Parent Entity	
		2010	2009	2010	2009
		\$	\$	\$	\$
Revenue	2	1,106,853	675,136	613,196	607,782
Other revenue	2	1,450	0	0	0
Employee benefits expense		646,771	413,884	297,709	281,545
Depreciation and amortisation expense		6,495	10,508	3,052	4,907
Finance costs	3	0	1,153	0	0
Other expenses		262,558	307,517	172,594	225,770
Profit/(Loss) before income tax		192,479	(57,926)	139,841	95,560
Income tax expense	4	0	0	0	0
Profit/(Loss) attributable to members of the parent entity		192,479	(57,926)	139,841	95,560

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 2010**

	Note	Consolidated Group		Parent Entity	
		2010	2009	2010	2009
		\$	\$	\$	\$
<b>CURRENT ASSETS</b>					
Cash and cash equivalent	7	55,711	(34,217)	52,579	(24,400)
Trade and other receivables	8	206,139	174,232	199,666	174,232
Inventories	9		-		-
Other current assets	11	8,942	126	6,285	-
<b>TOTAL CURRENT ASSETS</b>		<b>270,792</b>	<b>140,141</b>	<b>258,530</b>	<b>149,832</b>
<b>NON CURRENT ASSETS</b>					
Trade and other receivables	8	0	0	197,757	230,029
Investments	10	701	701	705	705
Plant and equipment	13	9,778	19,736	9,071	5,945
<b>TOTAL NON-CURRENT ASSETS</b>		<b>10,479</b>	<b>20,437</b>	<b>207,533</b>	<b>236,679</b>
<b>TOTAL ASSETS</b>		<b>281,271</b>	<b>160,578</b>	<b>466,063</b>	<b>386,511</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	14	109,387	178,322	90,774	165,167
Financial liabilities	16	0	12,015	0	0
Other current liabilities	17	106,005	78,579	106,005	78,579
Short-term provisions	15	12,433	31,745	10,705	25,077
<b>TOTAL CURRENT LIABILITIES</b>		<b>227,825</b>	<b>300,661</b>	<b>207,484</b>	<b>268,823</b>
<b>NON CURRENT LIABILITIES</b>					
Financial liabilities	16	0	0	0	0
Long-term provisions	15	6,565	5,517	6,565	5,517
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>6,565</b>	<b>5,517</b>	<b>6,565</b>	<b>5,517</b>
<b>TOTAL LIABILITIES</b>		<b>234,390</b>	<b>306,178</b>	<b>214,049</b>	<b>274,340</b>
<b>NET ASSETS</b>		<b>46,881</b>	<b>(145,600)</b>	<b>252,014</b>	<b>112,171</b>
<b>EQUITY</b>					
Reserves	18	58,284	58,284	54,601	54,601
Retained earnings		(11,403)	(203,884)	197,413	57,570
<b>TOTAL EQUITY</b>		<b>46,881</b>	<b>(145,600)</b>	<b>252,014</b>	<b>112,171</b>

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 2010**

CONSOLIDATED GROUP	<i>Note</i>	Asset Revaluation Reserve	Promotions Levy Reserve	Retained Earnings	Total
		\$	\$	\$	\$
<b>BALANCE AT 1 JULY 2008</b>		29,587	68,861	(145,958)	(47,510)
Net Profit / (Loss)				(57,926)	(57,926)
Transfers to and from reserves - promotions levy reserve					
Transfers from retained profits			(40,164)		(40,164)
<b>BALANCE AT 30 JUNE 2009</b>		29,587	28,697	(203,884)	(145,600)
Net Profit / (Loss)				192,479	192,481
Transfers to and from reserves - promotions levy reserve					
Transfers from retained profits					
<b>BALANCE AT 30 JUNE 2010</b>		29,587	28,697	(11,405)	46,881
<b>PARENT ENTITY</b>					
<b>BALANCE AT 1 JULY 2008</b>		25,904	68,861	(37,991)	56,774
Net Profit / (Loss)				95,560	95,560
Transfers to and from reserves - promotions levy reserve					
Transfers from retained profits			(40,164)		(40,164)
<b>BALANCE AT 30 JUNE 2009</b>		25,904	28,697	57,569	112,170
Net Profit / (Loss)				139,841	139,844
Transfers to and from reserves - promotions levy reserve					0
Transfers from retained profits					
<b>BALANCE AT 30 JUNE 2010</b>		25,904	28,697	197,410	252,014

The accompanying notes form an integral part of these accounts.

**QUEENSLAND NEWSAGENTS FEDERATION LTD**  
**ABN 67 011 035 457**  
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**STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2010**

	Note	Consolidated Group		Parent Entity	
		2010	2009	2010	2009
		\$	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers		1,320,561	1,714,922	706,193	1,552,161
Payments to suppliers and employees		(1,237,591)	(1,803,195)	(623,896)	(1,526,958)
Interest received		862	1,016	860	944
Finance costs		0	0		
Receipts from related party		0	0		(75,000)
Net cash provided by (used in) operating activities	21	83,832	(87,257)	83,157	(48,853)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Proceeds from sale of plant & equipment		13,000	0	0	0
Purchase of plant & equipment		(6,904)	0	(6,178)	0
Net cash provided by (used in) investing activities		6,096	0	(6,178)	0
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Repayments of borrowings			(15,783)		(9,141)
Repayment to related party					
Net cash provided by (used) in financing activities		0	(15,783)	0	(9,141)
Net increase in cash held		89,928	(103,040)	76,979	(57,994)
Cash at beginning of financial year		(34,217)	68,823	(24,400)	33,594
Cash at end of financial year	7	55,711	(34,217)	52,579	(24,400)

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**

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**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) of the Australian Accounting Standards Board 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**

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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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**NOTES TO THE FINANCIAL STATEMENTS**

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(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 for the following reasons:

- A consolidated profit after tax of \$192,479 for the year ended 30 June 2010
- Positive working capital and net assets at 30 June 2010
- A profit has been budgeted for the year ended 30 June 2011
- Membership has increased with continued confidence and support of newsagents
- Continued promotion of activities and services
- Newsagency brokerage sales and services have significantly increased
- The directors will continue to monitor the performance and financial position of the consolidated group and will take corrective action if required.

**QUEENSLAND NEWSAGENTS FEDERATION LTD**  
**ABN 67 011 035 457**  
**AND CONTROLLED ENTITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

2. Revenue	Note	Consolidated Group		Parent Entity	
		2010	2009	2010	2009
Operating activities:		\$	\$	\$	\$
- Commission from sale of Newsagencies		544,971	117,282		-
- Members' subscriptions - QNF		310,931	268,829	310,931	268,829
- Insurance commission		100,662	94,599	100,662	94,599
- Newsgas commission		4,598	4,716	4,598	4,716
- Newstyres commission		0	512	0	512
- Newsfinance commission		3,600	3,600	3,600	3,600
- Commission from subsidiary			-		-
- Administration charge to subsidiary			0	52,000	50,000
- Promotions Levy (gross)			40,000		40,000
- Administration charge other		9,600	9,600	9,600	9,600
- Market fair rebate		13,636	30,000	13,636	30,000
- Training School		14,140	7,544	14,140	7,544
- Sundry income		9,735	7,972	9,735	7,972
- Interest		862	1,016	860	944
- Registrations		12,447	6,432	12,447	6,432
- Sponsorships		45,641	39,227	45,641	39,227
- Journal Advertising		30,146	42,974	30,146	42,974
- Rent		5,884	833	5,200	833
- Insurance Reimbursement		-	-	-	-
Total Revenue		<u>1,106,853</u>	<u>675,136</u>	<u>613,196</u>	<u>607,782</u>
Non-operating activities					
- Gain/(Loss) on sale of motor vehicle		<u>1,450</u>	<u>0</u>	<u>0</u>	<u>0</u>

# QUEENSLAND NEWSAGENTS FEDERATION LTD

ABN 67 011 035 457

## AND CONTROLLED ENTITY

### NOTES TO THE FINANCIAL STATEMENTS

3. Profit	Note	Consolidated Group		Parent Entity	
		2010	2009	2010	2009
Profit from ordinary activities before income tax has been determined after:					
<b>(a) Expenses</b>					
Borrowing costs – other persons		0	1,153	0	0
Bad debts written off		0	0	0	0
Rental expense on operating leases			2,500		2,500
Write off of inventory		0	0	0	0

#### 4. Income Tax Expense

The prima facie tax on profit from operating activities before income tax is reconciled to income tax as follows -

Prima facie income tax payable on profit before income tax @ 30%		57,744	(17,378)	41,952	28,668
Add Tax effect of:					
- other non-allowable items		(5,393)	2,306	(5,393)	2,306
Less Tax effect of:					
- Net membership income not assessable		(24,534)	(13,135)	(24,534)	(13,135)
		27,816	(28,207)	12,025	17,839
Less –					
- Tax losses not booked		(22,361)	30,182	(6,570)	(15,533)
- Timing differences not booked		(5,455)	(1,975)	(5,455)	(2,306)
		0	0	0	0
Income tax expense attributable to entity		0	0	0	0

The deferred tax asset has not been brought to account. It is represented by :-

	2010	2009	2010	2009
	\$	\$	\$	\$
(a) deductible temporary differences				
(b) unused tax losses	555,191	629,728	271,719	293,619
	555,191	629,728	271,719	293,619

These benefits will only be obtained if –

- (a) the reporting entity has sufficient taxable temporary differences of an amount sufficient to enable the benefit from the deductions for the loss to be realised;
- (b) no changes in tax legislation adversely affect the reporting entity in realising the benefit from the deductions for the loss.

#### 5. Key Management Personnel Compensation

	2010	2009
Total compensation - Short term benefits	160,689	104,613

#### 6. Auditors Remuneration

	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
Remuneration of the auditor of the parent entity for:-	\$	\$	\$	\$
- Auditing the accounts	12,000	14,000	12,000	14,000
- Other services	6,766	5,500	3,176	5,500
	18,766	19,500	15,176	19,500

**QUEENSLAND NEWSAGENTS FEDERATION LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**7. Cash & Cash Equivalents**

	Note	Consolidated Group		Parent Entity	
		2010	2009	2010	2009
		\$	\$	\$	\$
Cash at bank (Bank Overdraft)		55,311	(34,617)	52,179	(24,800)
Cash on hand		400	400	400	400
		55,711	(34,217)	52,579	(24,400)

**8. Trade & Other Receivables**

**Current**

Trade Receivables	207,662	170,288	201,189	170,288
Deduct provision for doubtful debts	(1,523)	(1,729)	(1,523)	(1,729)
Other Receivables		5,673		5,673
GST provision		0		0
		206,139	174,232	199,666
				174,232

**Non Current**

Loan - Related Parties	0	0	197,757	230,029
	0	0	197,757	230,029

**9. Inventories**

Stock on Hand – at cost	-	-	-	-
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**10. Investments Non Current**

**Investments Accounted for Using the Equity Method**

Shares in subsidiary company (refer note 12)	-	-	4	4
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**Other Financial Assets**

Shares in Australian Stationery Distributors Ltd	700	700	700	700
Shares in Newpower Aust. Pty Ltd	1	1	1	1
	701	701	705	705

**11. Other assets**

**Current**

Prepayments	8,942	126	6,285	0
Deposits	0	0	0	0
	8,942	126	6,285	0

**12. Controlled Entities**

**Name of Entity**

	Country of incorporation		
		2010	2009
<b><u>Parent Entity</u></b>			
Queensland Newsagents Federation Ltd			
ACN 0411 035 457		%	%
Subsidiaries of Queensland Newsagents Federation Ltd			
QNF Commercial Pty Ltd (formally known as Newsagency Sales (Qld) Pty Ltd) ACN 009 841 347	Australia	100	100

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

<b>13. Plant and Equipment</b>	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
Leased assets		34,600	-	-
Accumulated amortisation		(21,144)	-	-
	0	13,456	0	0
Plant and Equipment	107,214	100,309	97,815	91,637
Accumulated depreciation	(97,436)	(94,029)	(88,744)	(85,692)
	9,778	6,280	9,071	5,945
Total Plant and Equipment	9,778	19,736	9,071	5,945

**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.

<u>Consolidated group:</u>	Leased	Plant & Equip	Total
	Assets	Assets	
Balance at 1 July 2008	18,750	11,495	30,245
Additions	0	0	0
Disposals	0	0	0
Depreciation/Amortisation expense	(5,294)	(5,215)	(10,509)
Balance at 30 June 2009	13,456	6,280	19,736
Additions	-	6,905	6,905
Disposals	(10,368)	-	(10,368)
Depreciation/Amortisation expense	(3,088)	(3,407)	(6,495)
Balance at 30 June 2010	0	9,778	9,778

Parent Entity:

Balance at 1 July 2008	-	10,852	10,852
Additions	-	-	0
Disposals	-	-	0
Depreciation/Amortisation expense	-	(4,907)	(4,907)
Balance at 30 June 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

**14. Trade and other Payables**

<b>Current</b>	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
Trade payables	115,403	98,691	96,747	88,531
Sundry payables and accrued expenses	(115)	77,080	0	74,085
Branch Administration fees	2,602	2,602	2,602	2,602
GST provision	(8,503)	(51)	(8,575)	-51
	109,387	178,322	90,774	165,167

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

	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
<b>15. Provisions</b>	\$	\$	\$	\$
<b>Current</b>				
Employee benefits	12,433	17,664	10,705	15,936
ATO Provision		14,081		9,141
	12,433	31,745	10,705	25,077
<b>Non-Current</b>				
Employee benefits	6,565	5,517	6,565	5,517
	6,565	5,517	6,565	5,517
a. Aggregate employee benefits liability	18,998	23,181	17,270	21,453
b. Number of employees at year end	6	6	4	4
<b><u>16. Financial Liabilities</u></b>				
<b>Current</b>				
Loans – Motor Vehicles	0	0	0	0
Loans – Office Equipment	19	12,015	0	0
Lease liability	0	12,015	0	0
	0	12,015	0	0
a. The bank overdrafts of the parent entity and subsidiary's are secured by a registered mortgage over all debtor company assets and uncalled capital.				
<b>Non-current</b>				
Loans – Motor Vehicles	0	0	0	0
Loans – Office Equipment	19	0	0	0
Lease liability	0	0	0	0
	0	0	0	0
<b><u>17. Other Liabilities</u></b>				
<b>Current</b>				
Member Subscriptions in advance	106,005	78,579	106,005	78,579
	106,005	78,579	106,005	78,579
<b><u>18. Reserves</u></b>				
Asset revaluation reserve	29,587	29,587	25,904	25,904
Promotions Levy reserve	28,697	28,697	28,697	28,697
	58,284	58,284	54,601	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.

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

	Consolidated Group		Parent Entity	
	2010	2009	2010	2009
	\$	\$	\$	\$
<b><u>19. Capital and Leasing Commitments</u></b>				
<b>Finance Lease Commitments</b>				
Payable – minimum lease payments				
- not later than 12 months		12,224		
- between 12 months and five years				
- greater than five years				
Minimum lease payments	0	12,224	0	0
Less future finance charges		(209)		
Present values of minimum Lease payments	0	12,015		

**20. Segment Information**

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

**21. Cashflow Information**

**(a) Reconciliation of Cash Flow from**

Operations with Profit after Income Tax

Profit after income tax	192,479	(57,926)	139,841	95,560
Non-cash flows in Operating Profit				
Amortisation		5,293		
Depreciation	6,495	5,215	3,052	4,907
Profit on Sale of fixed assets	(1,450)	0		
Fringe Benefits Tax	(50,473)	0	(50,473)	
(Increase)/Decrease in Loan related party	0	0	32,272	(118,850)
(Increase)/Decrease in Trade Debtors	(31,490)	33,966	(25,017)	19,674
(Increase)/Decrease in Prepayments	(8,818)	4,341	(6,285)	3,213
Increase/(Decrease) in Accruals	(59,906)	(11,210)	(38,735)	(11,210)
Increase/(Decrease) in Trade Creditors	14,370	(47,782)	5,877	(30,908)
Increase/(Decrease) in Other Creditors	(9,141)	(2,761)	(9,141)	8,991
Increase/(Decrease) in Income in Advance	27,425	(21,338)	27,425	(21,338)
Increase/(Decrease) in GST Payable	8,524	(718)	8,524	(718)
Increase/(Decrease) in Employee Provisions	(4,183)	5,663	(4,183)	1,826
Cash flows from operations	83,832	(87,257)	83,157	(48,853)

**(b) Credit Standby Arrangements with Banks**

The consolidated group has a bank overdraft facility of \$25,000 which is secured by a mortgage debenture over the assets and the uncalled capital of Queensland Newsagents Federation Ltd.

**QUEENSLAND NEWSAGENTS FEDERATION LTD**  
ABN 67 011 035 457  
**AND CONTROLLED ENTITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**22. Related party information**

**Directors**

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

Messrs J Cassimatis, D Ross, G Short, A Philbrick, L Barrett, R Hume and I Oliver for the full year ended 30 June 2010.

**Ownership interests in related parties**

Interests held in the controlled entity is set out in Note 12 to the accounts.

**Transactions with related parties**

Remuneration received or receivable by the Directors of Companies in the consolidated group are disclosed in Note 5 to the accounts.

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

**23. 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.

**24. 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 6 August 2010 the number of members was 547 (30 September 2009: 423 Members).

**25. 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

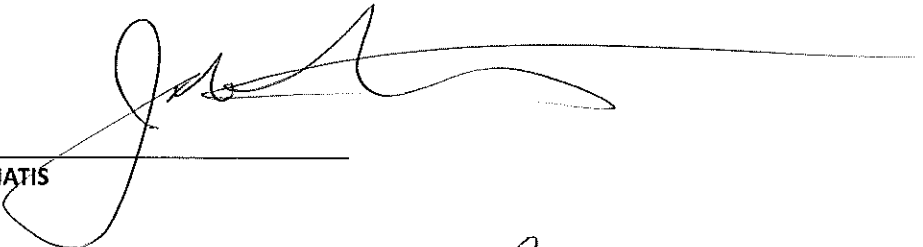
**QUEENSLAND NEWSAGENTS FEDERATION LTD**  
ABN 67 011 035 457  
**AND CONTROLLED ENTITY**  
**DIRECTORS DECLARATION**

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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 2010 and performance for the year ended on that date of the company and consolidated group;
  
- (2) The Chief Executive Officer and Chief Finance Officer have declared that:
  - (a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001.
  - (b) the financial statements and notes for the financial year comply with the Australian Accounting Standards; and
  - (c) the financial statements and notes for the financial year give a true and fair view.
  
- (3) 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.

  
\_\_\_\_\_  
J CASSIMATIS  
Director

  
\_\_\_\_\_  
A PHILBRICK  
Director

Brisbane  
Dated this                      day of                      2010.

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

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***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 balance sheet as at 30 June 2010 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 and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entity it controlled at the years end or from time to time during the 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 designing, implementing 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 estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standards AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

***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 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*.

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

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***Audit Opinion***

In our opinion, the financial statements present fairly, in all material respects, the financial position of Queensland Newsagents Federation Ltd and Queensland Newsagents Federation Ltd and Controlled Entity as of 30 June 2010, and its financial performance and cash flows for the year then ended in accordance with the *Corporations Act 2001* and the Australian Accounting Standards (including Australian Accounting Interpretations).

**Focus Professional Group**  
**Chartered Accountants**



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**Allen W Hertel**  
**Partner**

Dated: 11/9/2010