126th ANNUAL REPORT

Year Ended 30th April 2011

Royal Queensland Yacht Squadron Limited

FOUNDED **1885**

OFFICE BEARERS **2010-2011**

BY WARRANT
Dated 21 July 1894

Under the Seal of Office of the Lord High Admiral of the United Kingdom of Great Britain and Ireland etc., Members of the Club are permitted to wear on Board their respective vessels the Blue Ensign of Her Majesty's Fleet, on certain conditions, as laid down in the said Warrant.

BY DESPATCH
Dated 13 March 1902

His Majesty, King Edward VII, has been pleased to bestow the title "Royal" upon the "Queensland Yacht Club".

BY DESPATCH
Dated 12 July 1961

Her Majesty, Queen Elizabeth II, has been graciously pleased to approve the change of name of your club to the Royal Queensland Yacht Squadron.

INCORPORATION
Royal Queensland Yacht Squadron Limited Australian Company Number 053 989 272 is a registered company under Division 1 or Part 2.2 of the Corporations Law of Queensland and because of its registration it is an incorporated company.

The company is limited by guarantee.

The company is a public company.

The day of commencement of registration is the fourteenth day of October 1991.

PATRON
Her Excellency Ms Penelope Wensley AO,
Governor of Queensland

COMMODORE
Russell McCart

VICE COMMODORE
Peter Conde

REAR COMMODORE
Greg Clarke

HONORARY TREASURER
David Virgo

HONORARY MEASURER
Bill Wright

GENERAL MANAGER
Paul Hughes

GENERAL COMMITTEE
Ed Boast, Mark Gallagher,
Matthew Hill-Smith, Ian Threlfall,
David Virgo, Peter Watkins

FINANCE COMMITTEE
David Virgo (Chairman),
Ian Fraser, Steve Nelson,
Rod Stewart, David Wilson

SAILING COMMITTEE
Mark Gallagher (Chairman),
Mark Bradford, Rod Caldwell,
Michael Job, Kerry Waraker

POWERBOAT COMMITTEE
Ed Boast (Chairman),
Mick Atkinson, Chris Land,
Ian Threlfall, Peter Tyquin

WORKS COMMITTEE
Peter Watkins (Chairman),
Peter Bates, Tim Green,
Noel Paterson, Jeff Rice

HOUSE & ENTERTAINMENT COMMITTEE
Matthew Hill-Smith (Chairman),
Vanessa Freebairn, Craig Mathie
Brian Pozzey, Fraser Spencer

MEMBERSHIP COMMITTEE
Ian Threlfall (Chairman),
Clare Fraser, Alan Harrison,
Peter Loder, Grant Somerville

Front Cover:
Past Commodore John Miall - *Nereid* - competing in the Myora Cup Navigation Event 2011

COMMODORE'S ANNUAL REPORT **2011**

It has been another strong year at the Squadron. I am pleased to report as I conclude my term as Commodore, that we have performed well financially and in all our activities we continue to go from strength to strength. Our dinghy lawns and racecourses are bustling, our offshore representation grows and our cruising and log event groups are strong. WAGs continues to prosper and the mood at the Squadron is as good as I have seen.

The Club presentation is excellent and the staff need to be complemented on the appearance of our grounds and facilities. Our chef Simon, Belinda and the team deserve special thanks as our food has improved dramatically and is much remarked upon.

This year we have posted an operating profit of $219k which is, I believe a very respectable result. Many of our peer clubs have not done anywhere near so well. Paul Hughes has done an excellent job and his energy is to be seen everywhere.
Our Sailing Academy is thriving and Suellen Hurling and Carl Webster's efforts and dedication are obvious everywhere. The new Elliot 7 initiative will see great new opportunities for match and fleet racing. The support boat fleet is in the best condition of many years.

Our core sailing activities are strong in a year where we cyclically hosted fewer regattas than in the last couple. RQYS representation has been strong at the highest level of competition and we continue to box well above our weight in Australian representation and class competition. There are too many outstanding efforts to recount here but I have recognised many in the Mainsheet over the year.

Of course we draw closer to the Great Britain Olympics with Matt Belcher and Malcolm Page the world Number 1, 470 sailors and my own dark horse Brendan Casey improving all the time in Finns. I hope some of us can get over there to cheer the boys on.

Our volunteers are the envy of many other clubs and we continue to improve our capabilities to achieve world class skills.

Congratulations to Louise Davis, Club Member of the Year, Mat Belcher, Yachtsman of the Year and Scott Anderson Powerboater of the Year.

We have paid off the capital cost of our new marina and will relieve the focus on new sales until the market improves, now that the pressure is off.

COMMODORE'S ANNUAL REPORT **2011**

The repair or rebuild of marina one has taken a lot of our effort in the last 12 months and I have continually kept berth owners informed as to the results of our investigations. This is more complex than it appears as there are tax and tenure issues along with expediency, funding and methodology considerations. I am confident that when the solution emerges it will be the correct one.

We have programmed a major refurbishment of the downstairs bar area for mid 2011. This will significantly lift the tone of what will be a larger all weather facility. A marine sports building with significant areas for lease is planned adjacent to the Yachting Queensland building and early tenant interest has been encouragingly strong.

Both these initiatives are consistent with staged clubhouse improvement and my strong belief that we must, where consistent with our other aims, create more income producing assets and lessen our dependence on membership fees.

Thanks also to our sponsors who have stuck with us in tough times and are so much a part of Squadron life.

In closing my five years as a Flag Officer I would commend to the members the huge amount of volunteer work that a goes into the Squadron and the dedication of the staff. All of those people have my admiration and thanks. We are world class club and all of us should be proud of it.

Russell McCart
Commodore

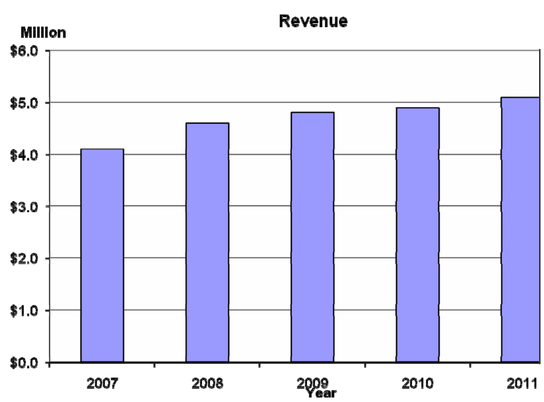
TREASURER'S REPORT **2011**

Despite continued difficult economic conditions the Squadron again traded at a profit in the year ended 30 April 2011.

The Squadron (referred to in this Annual Report as the Parent Entity) made an operating profit of $171,901 in the 2010/2011 year compared with a profit of $141,075 in the previous year. The profit included improved results from Miscellaneous Trading and Marketing however these were offset by lower profits from House and the higher cost of Sporting.

In addition to the above profit by the Squadron, trust income of $22,181 was received from the Motel and $25,827 from RQYS Nominees. The trust income from Motel was lower than last year due to higher interest cost and the income from Nominees due to the full year effect of charges under the water lease from Dept. of Transport. Our Consolidated Profit from all sources including RQYS Marina Limited was $77,149 which was lower than last year largely due to the need to increase the amount set aside for dredging in RQYS Marina Limited.

Revenue of the Squadron increased marginally to $5,072,550 compared with the revenue last year of $4,908,463.The growth of revenue over the past five years is shown below.



Comments on the results of each of the sections follow:

House
In the difficult trading conditions House struggled with revenue overall increasing only marginally and achieving profits of $80,366 which was substantially lower last year. The profits from Bottle Shop, RQ Bar and Boardwalk Café profits were all lower than last year being adversely impacted by lower revenue in some sections and unable to recover increases in wages and expenses. Flags managed a modest improvement in profits despite lower revenues.

TREASURER'S REPORT **2011**

Sporting Operations
The revenue from Sporting Operations was similar to the previous year. Due to the higher cost of staging regattas, the cost to the Squadron of Sporting Operations increased somewhat from last year's level of $153,838 to $167,318.

Marketing
Marketing this year made a small profit of $12,277 compared with a loss of $32,851 made last year, the improvement being due to lower wage costs.

Miscellaneous Trading
Miscellaneous Trading made a profit of $649,823 for the year which was an improvement over the $622,781 earned in the previous year. This improvement was due to improved trade shed and hardstand revenues.

Grounds and Canaipa
The cost to the Squadron of maintaining its grounds and Canaipa of $236,859 was in line with last year's levels.

Member Services and Administration
For the year the cost of member services and administration was $166,862. This was lower than last year's costs of $194,305 due to higher revenues including subscriptions.

Capital Expenditure
The Squadron spent $414,358 during the year on new assets which was substantially higher than in the previous year due to the outlay of $308,000 on building the new main ramp.

Financial Position
Despite the economic conditions we experienced during the year our financial position remains strong.

Summary
It was a reasonable year for the Squadron given the difficult economic conditions. These difficult economic times will persist for some time yet and therefore more than ever the Squadron will depend on the efforts of the Flag Officers, Committees, Management, Staff and Volunteers and most particularly support from Members.

David Virgo
Honorary Treasurer

POWERBOAT COMMITTEE REPORT **2011**

The Powerboat Committee has had another very active year.

Competitive navigation events continue to challenge the Committee in terms of attracting more and younger competitors. The decision to consolidate around Goodwill and Myora Cups appears to have arrested the decline with good support for both events, plenty of next generation participants and two younger skippers taking Division Firsts which secured the return of the Goodwill Cup to the Squadron. The Myora Cup has been moved to June from its traditional March date to spread the navigation events over the year and into a calmer weather period in the hope of attracting more new participants.

The Tack Tracker system utilising GPS loggers has proved to be a great improvement in accuracy of results and a welcome reduction in the logistical effort required to run each event. The introduction of new technology supports the basic concept that the purpose of navigation events is to hone the contemporary navigation skills of participants. Committee members Pete Tyquin and Chris Land have taken over the running of the on water section of navigation events.

The Cruising Groups Power and Sail ran trips to destinations in Moreton Bay and beyond. Both groups welcome new Squadron members as an induction into the Squadron community. Mick Atkinson chairs the Powerboat Cruising; Karen Hills and Karl Guilfoyle joint chair the Sailing Cruising group.

Canaipa saw the first and very successful Kids Carnival at Easter conceived and run by Matthew and Ruth Holliday and Mick Atkinson. Fifty-five children participated, with 47 parents involved as either helpers or spectators.

Powerboat Committee consulting with Squadron staff on maintenance of the Squadron's Support Boat fleet vessels continues. The Squadron's eleven powered support boats achieve high safety standards and ready for use availability.

The Committee continues with the task of building a body of volunteers to skipper the Squadron Support Vessels. A system is now operating to check existing skippers as well as train and qualify new skippers.

Changes in the Powerboat Committee next season will see Ian Threlfall who also chairs the Membership Committee stand aside and a representative from the Sailing Cruising group come on board. I would like to thank Ian for his input and support over the past three years. He has been a very active contributor and although he will be missed in Committee his input as an event organiser will still be sought.

As Chairman of the Powerboat Committee I thank the many volunteers who support the Committee's work.

The sponsors who donate in both cash and kind deserve special thanks for their ongoing support especially in these lean times.

Ed Boast
Chairman Powerboat Committee

SAILING COMMITTEE REPORT **2011**

I am pleased to report that at the end of the 10/11 Sailing season the Marine Sports Department has achieved commendable results despite the residual effects of the economic down turn and some extreme weather events during the season. Race entries on all courses have increased providing excellent competition for all sailors.

The Squadron's sailing program continues to offer events throughout the year including our ever popular winter program. The delivery of these events and external regattas is testament to the dedication of all involved in the management and delivery of yacht racing at RQ.

Promotion of the Squadron as a world class regatta location has led to RQ being selected as the site for a number of world championship events in the coming two years.

The strategic plan for Junior Development at the Squadron continues to progress well using the Optimist Class dinghy with increasing number of competitors and plans in place to form a specific parental support group. In saying this at all times the Squadron is conscious of the need to support any class that organises threshold numbers in its dinghy fleets.

In the past year many Squadron members have achieved outstanding results at Club, State, National and International levels. To these sailors congratulations and may your successes continue. Especially those Squadron members who have secured or are working towards Australian Sailing team selection for the 2012 London Olympics.

However, it would be remiss not to recognise and thank those sailors who support the Squadron through their commitment to sailing every weekend and opportunity what ever their result.

Our major ocean yacht race and Squadron signature keel boat event the Brisbane to Keppel Tropical Yacht Race was run for the fourth time in 2010 with increased numbers of competitors. The highlight of the event was the line honours duel between *Wild Oats X* and *Lahana* with their 22 seconds separation at the finish.

The Squadron's Marine Sports staff has worked diligently to provide events and training courses that meet members needs to the Marine Sports team thank you for your continuing efforts.

As in past years without the willing and cheerful support of our Volunteers it would not be possible for the Squadron to run the events on our calendar. Congratulations to the Volunteers who have gained national recognition and accreditation of their skills as Race Officers, Umpires and Judges these skills assist the Squadron in bidding to host events at the highest levels of the sport. To every Volunteer irrespective of your contribution thank you, particular recognition is due to our organiser of human resources Dugald Henderson.

As with many sporting organisations operational successes are often supported by generous sponsorships. We are indeed fortunate to have a group of fine Sponsors, both within the Squadron and externally, who contribute towards the running of major events and assist with weekly prizes.

SAILING COMMITTEE REPORT **2011**

As I conclude 10 years as a member of Sailing Committee including three years as Chair of the committee I am able to confidently report to members on behalf of the Sailing Committee that Marine Sports at the Squadron has a strategic vision that will deliver the highest quality sailing events that will cater for all levels, ages and class of sailors for many seasons to come.

WORKS COMMITTEE REPORT **2011**

I would like to start this report by thanking both Jeff Rice and Tim Green for their support and help on the Works Committee.

Jeff was Chairman of the Committee for fourteen years and this year stayed with us as a Committee man. During Jeff's time on Committee his assistance with numerous projects has been enormous and I cannot say enough in the way of thanks.

Tim has been invaluable with his knowledge of our roads and car parks and all things relating to the civil engineering side of the Squadron. His contribution over many, many years is also very much appreciated.

Jeff and Tim are both taking a well earned break this year, although we will still call on their talents when a special project presents.

With Jeff and Tim now taking their well earned break, we are now able to bring new people on to the Committee, further broadening the knowledge base of the team and in turn providing better service for Squadron members.

Canaipa continues to look good with Kevin and Tina at the helm. We have had all the usual yearly functions plus a few extra and all have gone well thanks to their outstanding help.

We have not had any working bees at Canaipa this year, although we have installed new windows and a new sewer system to the house. These improvements should make life a little easier especially being able to close windows now winter is with us.

The gardens around the Squadron continue to look great with Eric, John and offsider Rory not only maintaining the existing gardens but all the while continuing to build new gardens and features. Without doubt, the grounds at Manly are looking the best they ever have. Keep up the good work.

As mentioned in last year's report, the rebuilding of the main ramp has now been completed and I believe has been embraced by all who use it.

There have been no other major projects started during the year with only the normal maintenance items being done to keep our services ticking over.

Lastly I would like to sincerely thank all the Squadron staff for their untiring support during the year. Without their efforts, life on our various committees would certainly be a lot more difficult.

Again thanks to all who were involved during the year.

Peter Watkins
Chairman Works Committee

HOUSE & ENTERTAINMENT COMMITTEE REPORT **2011**

2011 has been one of the wettest years on record, as we are all aware. The drought has finally broken and, in some parts of the State, this has been a great start to the year for farmers.

Unfortunately, wet weather, at the levels we have experienced, has negatively affected the turnover in both our bar and Boardwalk Cafe. Being for all intents and purposes an outside venue, if there is even a sniff of bad weather or rain - justifiably our members stay away from the bar, Boardwalk Cafe and our weekend breakfasts in droves. All of these factors have negatively affected our expectations for a better bottom line.

Nonetheless, I am very happy with our bottom line contribution for the year.

At some stage in the future, it is essential that we develop a Clubhouse that is an 'all weather venue'. During my tenure as Chairman of House and Entertainment Committee, we have looked at building a new all weather clubhouse to alleviate the negative effect of the weather.

I believe the new clubhouse scenario has been taken off the back burner and once and for all trashed. At last count, I believe there were at least five or six sets of plans floating around for a new clubhouse .

There is however a strong consensus that the existing clubhouse can be redeveloped at a smidgen of the cost which will not only give us an all-weather bar and bistro but give us a clubhouse of which the membership can be proud.

There is always something on at the clubhouse such as Opening Day, Music under the Stars, Carols under the Stars, full a-la-carte breakfasts on weekends, Mother's day, Ladies Lobster Lunch, Splice the Mainbrace, Guest speakers such as Sandy MacKinnon and Alex Whitworth, New Members Nights ,Captains Table, 21 Club, 42 Year Warriors, Junior and Senior Presentation, Air Vanuatu Club Member of the Year and the Commodores at Home South Sea Soiree.

Plans are underway for our first 'Queensland Wooden Boat Heritage Show'. Our first show to be held in 2012 will be a world class event especially with the likes of Bill Wright and Peter Cavill in charge of boat selection.

All of this does not happen without considerable planning and effort - Belinda Annan has done a magnificent job in her new role as Food and Beverage Manager.

My congratulations also to our kitchen team headed up by Simon Watters - there is no doubt the quality and innnovation of the food has taken a major step forward in the last year - given the size and the age of our kitchens this is no mean feat.

As always, Lynne Jackson and Peter Coddington have been rock solid and their contribution to our Club can never be under estimated.

I have truly enjoyed working with such a true and enthusiastic professional in Paul Hughes and am confident the future holds great things for the Squadron.

Lastly, my most sincere thanks to the members of House and Entertainment Committee, the General Committee and the Flag Officers for their support during my three years at the helm.

Matthew Hill Smith
Chairman House & Entertainment Committee

MEMBERSHIP COMMITTEE REPORT **2011**

The lifeblood of this squadron is, of course, its members. RQYS need a strong and participative member base to ensure a strong and viable future.

With the objective of better participation from new members, the Membership Committee this year embarked on a plan to assist new members more quickly 'find their feet' within the club. A 'first-year club' strategy was developed that sees new members contacted and their needs, wishes and aspirations within the club better understood and assisted. This program has also seen us introduce a monthly casual get-together of recent new members together with members of the Committees and other key stakeholders. Whilst still very much a 'work in progress', this program is being very well received.

Clubs generally in Australia are facing hard times. Never before have they faced such an onslaught of pressures stemming from the economic times and the competition from a much more complex society. In comparison to many other boating clubs in our region we are doing very well. Some others are facing very difficult immediate futures.

During the year, the Committee looked at a number of strategies to attract new members. We experimented with a number of 'special' offers that included reduced joining fees and free sailing lessons and these were somewhat successful. Overall, it is fair to say that we are being successful in keeping member numbers stable although we have been very successful in improving Junior Membership numbers through our very active junior sailing programs.

RQYS is fortunate to have a long serving and loyal membership base, but like Australia generally, we face a real problem in that our 'average' member is aging. To maintain our assets and continue to run first-class activities for our members into the future, we must increase new membership from young and middle-age Australia. It is imperative that over the coming year we continue to be innovative and focussed on this critical task.

Ian Threlfall
Membership Committee Chairman

Royal Queensland Yacht Squadron Limited and Controlled Entities ABN 25 053 989 272

CONSOLIDATED FINANCIAL REPORT for the Year Ended 30 April 2011

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DIRECTORS' REPORT 2011

The directors of Royal Queensland Yacht Squadron Limited submit herewith the financial statements of the Royal Queensland Yacht Squadron Limited and its controlled entities for the year ended 30 April 2011 and report in accordance with a resolution of the Directors as follows:

1. The following persons were directors of the parent entity during the whole of the financial year and up to the date of this report:

Charles Russell McCart	Peter John Conde
Gregory Dixon Clarke	David Gilmour Virgo
Edward Boast	Mark Drew Gallagher
Matthew Norman Hill-Smith	Peter Robert Watkins

The following persons were directors during part of the financial year:

Name	**Dates of Tenure**
Ian Robert Threlfall	Appointed 21 July 2010
Jeffrey Ian Rice	Resigned 21 July 2010

2. Particulars of directors' qualifications, experience, special responsibilities are as follows:

Name	**Qualifications**	**Experience**	**Responsibility**
Charles Russell McCart	B.Bus Mngmt	Flag Officer for five years and Member of General Committee for five years	Commodore
Peter John Conde	MBA, BE (Hons)	Flag Officer for three years and Member of General Committee for four years	Vice Commodore
Gregory Dixon Clarke	Dip.Bus., MAICD	Flag Officer for two years and Member of General Committee for two years	Rear Commodore
David Gilmour Virgo	FCPA, FCIS, BCom(Accounting) UNSW	Member of General Committee for six years	Honorary Treasurer. Chairman of Finance Committee
Edward Boast		Member of General Committee for three years	Chairman of Powerboat Committee
Mark Drew Gallagher	BProfSt, GDipLaw, DipGovt (Fraud Invest)	Member of General Committee for three years	Chairman of Sailing Committee
Peter Robert Watkins		Member of General Committee for three years	Chairman of Works Committee
Matthew Norman Hill-Smith		Member of General Committee for three years	Chairman of House & Entertainment Committee
Ian Robert Threlfall		Member of General Committee for one year	Chairman of Membership Committee

DIRECTORS' REPORT **2011**

3. During the financial year 10 meetings of the company's directors were held. The number of meetings each director of the company attended is as follows:

	Number of Board Meetings Held while a Director	Board Meetings Attended
Charles Russell McCart	10	10
Peter John Conde	10	7
Gregory Dixon Clarke	10	9
David Gilmour Virgo	10	10
Jeffrey Ian Rice (Resigned 21 July 2010)	2	2
Edward Boast	10	10
Peter Robert Watkins	10	6
Mark Drew Gallagher	10	7
Matthew Norman Hill-Smith	10	10
Ian Robert Thelfall (appointed 21 July 2010)	8	8

4. Liability of members to contribute if the Company is wound up.

a) For each class of membership

Full Members	$	100
Country Members	$	80
Members residing outside Queensland	$	80
Life, Senior, Social, Crew, Young Adult and Honorary members	$	80
Junior Members	$	60
b)Total Amount	$	217,060

5. The entity reported on is the consolidated entity.

6. The short and long term objectives of the consolidated entity are to encourage young people to the sport and pastime of sailing and boating, to provide marine sporting and recreational activities for members, foster members to achieve in competitive sailing, to provide a high standard of marina berths and facilities for members and to maintain the financial health of the entity.

7. Through its strategic plan, its annual business plan and planning by the Directors and the Committees, the controlling entity has identified supporting goals and actions to support the ongoing achievement of its short and long term objectives.

8. The principal activities of the consolidated entity during the financial year were to encourage, promote and further the sport of yachting, sailing, racing and to provide other services to members, acting as a marina and boat maintenance operator and landlord of a motel property.

9. The principal activities of the consolidated entity are focussed on meeting its short and long term objectives by providing members with quality services and facilities.

10. The entity measures its performance by monthly financial reporting against budget across all sectors and by monitoring performance against key performance indicators in key areas of the entities activities.

11. 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 30 April 2011.

Signed in accordance with a resolution of the Board of Directors of Royal Queensland Yacht Squadron Limited.

C R McCart
Director

Dated at Brisbane, 14 June 2011

D G Virgo
Director

Dated at Brisbane, 14 June 2011

AUDITOR'S INDEPENDENCE DECLARATION
FOR THE YEAR ENDED 30 APRIL 2011

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the directors of Royal Queensland Yacht Squadron Limited and its controlled entities.

I declare that, to the best of my knowledge and belief, during the year ended 30 April 2011 there has been:

i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Crowe Horwath Brisbane

Brendan Worrall
Principal

Signed at Brisbane, 14 June 2011

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2011

	NOTE	Consolidated Group 2011 $	Consolidated Group 2010 $	Parent Entity 2011 $	Parent Entity 2010 $
Operating Revenue					
Member services income		1,181,479	1,154,015	1,181,479	1,154,015
House operations income		1,771,847	1,762,547	1,771,847	1,762,547
Sporting operations income		468,296	462,180	468,296	462,180
Marketing & sponsorship income		100,827	81,253	100,827	81,253
Grounds & Canaipa income		13,385	(16,415)	13,385	15,606
Miscellaneous trade income		1,417,492	1,329,319	1,417,492	1,329,319
Marina operations income		1,898,074	1,602,265	-	-
Slipping operations income		313,998	313,411	-	-
Motel revenue		398,602	421,757	-	-
Interest income		109,965	86,616	104,024	89,388
Other income		15,200	12,700	15,200	12,700
Profit from sale of non current assets		-	1,455	-	1,455
		7,689,165	7,211,103	5,072,550	4,908,463
Operating Expenses					
Member services expenses		(1,465,402)	(1,451,862)	(1,465,402)	(1,451,862)
House operations expenses		(1,700,731)	(1,626,485)	(1,700,731)	(1,626,485)
Sporting operations expenses		(629,174)	(616,020)	(629,174)	(616,020)
Marketing expenses		(87,905)	(114,104)	(87,906)	(114,104)
Grounds & Canaipa expense		(249,768)	(252,466)	(249,768)	(252,466)
Miscellaneous trade expenses		(767,669)	(706,449)	(767,669)	(706,451)
Marina operations expenses		(1,416,675)	(901,887)	-	-
Slipping operations expenses		(201,314)	(225,388)	-	-
Marina administration		(854,047)	(827,512)	-	-
Motel expenses		(272,506)	(241,214)	-	-
		(7,645,191)	(6,963,387)	(4,900,650)	(4,767,388)
Operating Profit		43,974	247,716	171,900	141,075
Other Income					
Trust income		-	-	48,008	119,459
PROFIT BEFORE INCOME TAX	2	43,974	247,716	219,908	260,534
Income tax expense/ (revenue)	3	(33,175)	(3,381)	-	-
PROFIT FOR THE YEAR		77,149	251,097	219,908	260,534
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		77,149	251,097	219,908	260,534
Profit (Loss) for the year attributable to:					
- Members		77,149	251,097	219,908	260,534
Total comprehensive income for the year attributable to:					
- Members		77,149	251,097	219,908	260,534

Notes to the financial statements are attached

ROYAL QUEENSLAND YACHT SQUADRON LIMITED
AND CONTROLLED ENTITIES
ABN 25 053 989 272

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 APRIL **2011**

		Consolidated Group		Parent Entity	
	NOTE	2011 $	Restated 2010 $	2011 $	2010 $
CURRENT ASSETS					
Cash and cash equivalents	4	2,342,995	1,395,954	378,526	477,297
Trade and other receivables	5	1,426,703	1,260,851	433,165	395,668
Other financial assets	6	1,081,786	1,021,786	41,786	41,786
Inventories	7	152,942	128,073	152,942	128,073
Current tax assets	15	4,418	13,253	-	-
Other assets	8	26,056	19,827	24,352	17,607
TOTAL CURRENT ASSETS		5,034,900	3,839,744	1,030,771	1,060,431
NON-CURRENT ASSETS					
Trade and other receivables	5	-	-	2,982,234	2,507,597
Property, plant and equipment	9	20,292,446	20,672,259	4,758,640	4,650,069
Investment property	10	3,774,591	3,916,419	-	-
Deferred tax assets	11	30,864	43,824	-	-
TOTAL NON-CURRENT ASSETS		24,097,901	24,632,502	7,740,874	7,157,666
TOTAL ASSETS		29,132,801	28,472,246	8,771,645	8,218,097
CURRENT LIABILITIES					
Trade and other payables	12	4,332,981	4,803,456	1,977,663	1,571,602
Financial liabilities	13	320,685	347,495	-	-
Short term provisions	14	276,652	256,554	276,652	256,554
Other current liabilities	16	2,956,268	2,617,145	707,883	800,402
TOTAL CURRENT LIABILITIES		7,886,586	8,024,650	2,962,198	2,628,558
NON-CURRENT LIABILITIES					
Long term provisions	14	31,724	31,724	31,724	31,724
Financial liabilities	13	606,266	952,552	-	-
Deferred tax liabilities	15	529,320	575,455	-	-
Other non current liabilities	16	10,487,861	9,373,969	-	-
TOTAL NON-CURRENT LIABILITIES		11,655,171	10,933,700	31,724	31,724
TOTAL LIABILITIES		19,541,757	18,958,350	2,993,922	2,660,282
NET ASSETS		9,591,045	9,513,896	5,777,723	5,557,815
EQUITY					
Reserves		65,307	65,307	65,307	65,307
Retained earnings		9,525,738	9,448,589	5,712,416	5,492,508
TOTAL EQUITY		9,591,045	9,513,896	5,777,723	5,557,815

Notes to the financial statements are attached

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL **2011**

CONSOLIDATED GROUP	Reserves		Total Reserves	Retained Profits	Total
	$	$	$	$	$
	ISOSSF	Trophy			
30 April 2010					
Balance at 1 May 2009	23,521	41,910	65,431	9,197,368	9,262,799
Total comprehensive income					
Profit/(loss) for the year	-	-	-	251,097	251,097
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	251,097	251,097
Transfers to/(from) reserves		(124)	(124)	124	-
Balance at 30 April 2010	23,521	41,786	65,307	9,448,589	9,513,896
30 April 2011					
Balance at 1 May 2010	23,521	41,786	65,307	9,448,589	9,513,896
Total comprehensive income					
Profit/(loss) for the year	-	-	-	77,149	77,149
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	77,149	77,149
					-
Balance at 30 April 2011	23,521	41,786	65,307	9,525,738	9,591,045
PARENT ENTITY					
30 April 2010					
Balance at 1 May 2009	23,521	41,910	65,431	5,231,850	5,297,281
Total comprehensive income					
Profit/(loss) for the year	-	-	-	260,534	260,534
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	260,534	260,534
Transfers to/(from) reserves	-	(124)	(124)	124	-
Balance at 30 April 2010	23,521	41,786	65,307	5,492,508	5,557,815
30 April 2011					
Balance at 1 May 2010	23,521	41,786	65,307	5,492,508	5,557,815
Total comprehensive income					
Profit/(loss) for the year	-	-	-	219,908	219,908
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-
Transfers to/(from) reserves	-	-	-	-	-
Balance at 30 April 2011	23,521	41,786	65,307	5,712,416	5,777,723

Notes to the financial statements are attached

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL **2011**

	NOTE	Consolidated Group 2011 $	Consolidated Group 2010 $	Parent Entity 2011 $	Parent Entity 2010 $
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from operations		9,753,067	17,349,892	5,228,338	5,423,775
Payments to suppliers and employees		(7,700,949)	(5,067,484)	(4,603,175)	(5,024,305)
Interest received		113,973	76,473	104,024	89,388
Interest paid		(136,151)	(79,648)	-	-
Income tax paid		-	(16,582)	-	-
NET CASH FROM / (USED IN) OPERATING ACTIVITIES	**17 (a)**	2,029,940	12,262,651	729,187	488,858
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES					
Payment for property, plant and equipment		(649,803)	(8,558,875)	(414,358)	(76,176)
Loans advanced			-	(426,630)	(328,674)
Proceeds from sale of fixed assets		-	1,455	13,030	1,455
NET CASH FROM / (USED IN) INVESTING ACTIVITIES		(649,803)	(8,557,420)	(827,958)	(403,395)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES					
Net repayment of borrowings		(373,096)	(412,472)	-	-
NET CASH FROM FINANCING ACTIVITIES		(373,096)	(412,472)	-	-
Net increase/(decrease) in cash held		1,007,041	3,292,759	(98,771)	85,463
Cash at the beginning of the period		2,417,740	(875,019)	519,083	433,620
CASH AT THE END OF THE PERIOD	**17 (b)**	3,424,781	2,417,740	420,312	519,083

Notes to the financial statements are attached

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL **2011**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are a general purpose financial statement that have been prepared in accordance with Accounting Standards (including Australian Accounting Interpretations), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial statements cover the Royal Queensland Yacht Squadron Limited as an individual parent entity and Royal Queensland Yacht Squadron Limited and controlled entities as a consolidated group. The Royal Queensland Yacht Squadron Limited, a public company limited by guarantee, is incorporated and domiciled in Australia.

The financial statement have been prepared on an accrual basis and are 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.

The financial statement of Royal Queensland Yacht Squadron Limited and controlled entities and Royal Queensland Yacht Squadron Limited as an individual parent entity complies with all Australian equivalents to International Financial reporting Standards (IFRS) in their entirety.

The financial statements were authorised for issue by the Board of Directors on 14 June 2011.

New and amended standards adopted.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 July 2010:

- AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project
- AASB 2009-8 Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions
- AASB 2009-10 Amendments to Australian Accounting Standards – Classification of Rights Issues
- AASB Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments and AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19, and
- AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project.

The adoption of these standards did not have any impact on the current period or any prior period and is not likely to affect future periods.

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

(a) Principles of Consolidation

The consolidated group financial statements comprise a consolidation of the financial statements of Royal Queensland Yacht Squadron Limited and all of its controlled entities. The consolidated financial statements includes the information contained in the financial statements of Royal Queensland Yacht Squadron Limited and each of its controlled entities as from the date the parent entity obtains control until such time as control ceases. Where there is a loss of control of a controlled entity the consolidated financial statement includes the results of the part of the reporting period during which the parent entity had control. The financial statements of controlled entities are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist. All inter-company balances and transactions, and unrealised profits arising from intra consolidated group transactions, have been eliminated in full.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL **2011**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are stated at cost, less depreciation and impairment losses.

Plant and equipment

Plant and equipment is 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 which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the economic entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of comprehensive income.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the economic 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.

Marina 1 is located in an area which is subject to a lease from the Department of Transport (previously the Port of Brisbane Corporation). The lease, which commenced 19 March 1999, has an expiration date of 31 December 2028.

Marina 2 is located in an area which is subject to a lease from the Department of Transport (previously the Port of Brisbane Corporation). The lease, which commenced 25 February 2010, has an expiration date of 24 February 2035.

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

CLASS OF ASSET	DEPRECIATION RATE
Land and ground improvements	5-33%
Building and improvements	2-12%
Marina	2-20%
Furniture, plant and equipment	6-33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance 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 statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Income Tax

(i) Royal Queensland Yacht Squadron Limited (parent entity)

The company is exempt from the payment of income tax under Section 50-45 of the Income Tax Assessment Act 1997.

(ii) RQYS Marina Limited (controlled entity)
The charge for current income tax expense is based on the profit/ (loss) 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 the liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items directly to equity, in which case the deferred tax is adjusted directly against other comprehensive income.

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 amounts 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 economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(iii) RQYS Motel Trust and RQYS New Marina Trust (controlled entities)
RQYS Motel Trust and RQYS New Marina Trust are discretionary trusts and as such will not pay income tax provided the assessable income of the trust (calculated in accordance with the Income tax Assessment Act 1997) is distributed to the trust's beneficiaries each year. Royal Queensland Yacht Squadron is the nominated beneficiary of each trust and it is the trustees' intention to ensure that the assessable income of the trusts is distributed each year.

(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 are transferred to the 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. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the consolidated entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term. Lease payments received reduce the liability.

(e) Impairment of Assets

At each statement date, the consolidated group 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 statement of comprehensive income.

(f) Employee Benefits

Provision is made for the 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 entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other 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.

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

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Provisions

Provisions are recognised when the consolidated group 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.

(h) Inventories

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

(i) 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 statement of financial position.

(j) Trade Receivables

Sales made on credit are included in "Trade Debtors" and are recorded at the balance due, less a provision for non-recoverable amounts. Trade debtors are due within 30 days from the end of the month.

(k) Revenue

Revenue is measured at the fair value for the consideration received or receivable. Revenue is recorded on an accruals basis as the goods are delivered or the service provided. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. All revenue is stated net of the amount of goods and services tax (GST).

(l) Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted)

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified ‘at fair value through profit or loss’, in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted

(i) *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 subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets)

(ii) *Held to maturity investments*

Held-to-maturity assets are non-derivative financial assets with fixed or determinable payments and fixed maturities at the groups management has the positive intention and ability to hold to maturity. Held-to-maturity assets are carried at amortised cost using the effective interest method.

(iii) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

(m) Comparatives

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

Comparative figures have also been changed where classifications of income and expenditure items have been altered from the prior year as a result of a review by the directors. The new classifications have been altered to reflect a more accurate view of the entity's operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL **2011**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial statements 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 consolidated group entity.

Key estimates – Impairment

The consolidated group assesses impairment at each reporting date by evaluating conditions specific to the consolidated entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. No impairment has been recognised for the year ended 30 April 2011.

For income tax purposes, the member contributions received for the dredging levy and for the marina redevelopment levy have been deferred for tax purposes on the basis that the directors' believe that they qualify as constructive trusts and that the directors' are currently seeking advice to ensure all necessary documentation is put in place to evidence this and ensure there is full compliance with all statutory obligations.

(o) Investment Property

Investment property, comprising the motel building and improvements, is held to generate long term yields. All tenant leases are on an arm's length basis. Investment property is brought to account at cost less, where applicable, any accumulated depreciation or amortisation. The carrying amount of investment property is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal.

The depreciable amount of investment property is depreciated over its useful life using the straight line method commencing from the time the asset is held ready for use. Depreciation rates and methods are reviewed annually and, if necessary, adjustments are made.

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

Class of Asset	Depreciation Rate
Investment Property	2% – 4%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2011

	Consolidated Group		Parent Entity	
	2011	**2010**	**2011**	**2010**
NOTE 2 PROFIT BEFORE INCOME TAX	**$**	**$**	**$**	**$**
Profit before income tax expense has been determined after:				
Revenue				
Interest income				
- External	109,965	86,616	107	105
- Controlled entity	-	-	103,917	89,283
Trust distributions				
- RQYS Motel Trust	-	-	22,181	91,260
- RQYS New Marina Trust	-	-	25,827	28,199
Expenses				
Auditor Remuneration				
- Audit Services	38,160	40,450	8,558	24,100
- Other Services	16,145	6,000	4,150	2,200
Impairment losses - financial assets				
- Trade Debtors	3,600	10,045	-	-
Interest expense				
- External	136,150	79,648	-	-
- Controlled entity		-	-	-
Depreciation				
- Marina	670,329	214,799		-
- Land and ground improvements	83,120	74,499	72,138	64,646
- Buildings	85,429	74,955	72,557	71,581
- Plant and equipment	190,737	201,478	148,062	142,236
- Investment property	141,828	141,828	-	-
	1,171,443	707,559	292,757	278,463
Rental expense relating to operating leases				
- Minimum lease payments	544,027	321,235	37,207	(13,472)
NOTE 3 INCOME TAX				
Income tax expense				
- Current tax	-	-	-	-
- Deferred tax	(33,175)	(3,381)	-	-
	(33,175)	(3,381)	-	-
Deferred income tax expense (benefit) included in income tax expense comprises				
- (increase)/decrease in deferred tax assets (Note 11)	12,960	28,793	-	-
- increase/(decrease) in deferred tax liabilities (Note 15)	(46,135)	(32,174)	-	-
	(33,175)	(3,381)	-	-
Numerical reconciliation of income tax expense to prima facie tax payable				
Operating profit/ (loss) before tax				
Tax at the Australian tax rate of 30% (2011 - 30%)	13,192	66,285	65,972	78,160
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
- Non-deductible depreciation	-	-	-	-
- Over/under povision of deferred tax assets and liabilities in prior yeas	-	465	-	-
- Net benefit of tax losses not previously recognised		-	-	-
- Tax exempt income	(46,367)	(70,131)	(65,972)	(78,160)
Income tax expense (revenue)	(33,175)	(3,381)	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2011

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
NOTE 4 CASH AND CASH EQUIVALENTS	$	$	$	$
Cash on hand	28,520	26,110	28,520	26,110
Cash at bank	2,055,091	1,054,361	90,622	135,704
Cash on deposit	259,384	315,483	259,384	315,483
	2,342,995	1,395,954	378,526	477,297

NOTE 5 TRADE AND OTHER RECEIVABLES

	Consolidated Group 2011	Consolidated Group 2010	Parent Entity 2011	Parent Entity 2010
Current				
Trade receivables	1,418,582	1,224,888	448,165	410,668
Less provision for impairment	(30,100)	(26,500)	(15,000)	(15,000)
	1,388,482	1,198,388	433,165	395,668
Other receivables	38,221	62,463	-	-
	38,221	62,463	-	-
	1,426,703	1,260,851	433,165	395,668
Non-Current				
RQYS Motel Pty Ltd - loan account	-	-	2,754,308	2,412,364
RQYS New Marina Trust - loan account	-	-	227,926	95,233
	-	-	2,982,234	2,507,597
	1,426,703	1,260,851	3,415,399	2,903,265

NOTE 6 OTHER FINANCIAL ASSETS

	Consolidated Group 2011	Consolidated Group 2010	Parent Entity 2011	Parent Entity 2010
Memorial and trophy funds	41,786	41,786	41,786	41,786
Term deposit (i)	540,000	480,000	-	-
Westpac Term Deposit	500,000	500,000	-	-
	1,081,786	1,021,786	41,786	41,786

(i) Included in the above is dredging funds of $480,000 (2010: $420,000).

NOTE 7 INVENTORIES

	Consolidated Group 2011	Consolidated Group 2010	Parent Entity 2011	Parent Entity 2010
Goods held for resale, at lower of cost and net realisable value	152,942	128,073	152,942	128,073
	152,942	128,073	152,942	128,073

NOTE 8 OTHER CURRENT ASSETS

	Consolidated Group 2011	Consolidated Group 2010	Parent Entity 2011	Parent Entity 2010
Prepayments:				
- General	24,369	19,827	22,665	17,607
- Deposits held	1,221	-	1,221	-
- Salary Sacrifice - PC Purchase	466	-	466	-
	26,056	19,827	24,352	17,607

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2011

	Consolidated Group		Parent Entity	
	2011	Restated 2010	2011	2010
NOTE 9 PROPERTY, PLANT AND EQUIPMENT	$	$	$	$
Freehold land, at cost	2,120,000	2,120,000	2,120,000	2,120,000
Land and ground improvements, at cost	2,122,441	1,814,019	1,766,639	1,458,217
Less accumulated depreciation	(363,240)	(280,119)	(297,457)	(225,318)
	3,879,201	3,653,900	3,589,182	3,352,899
Building and improvements, at cost	1,302,750	1,302,750	1,246,197	1,246,197
Less accumulated depreciation	(511,000)	(434,440)	(490,542)	(417,986)
	791,750	868,310	755,655	828,211
Furniture, plant and equipment, at cost	3,221,783	2,988,574	2,256,086	2,150,150
Less accumulated depreciation	(2,484,858)	(2,285,253)	(1,842,283)	(1,694,221)
	736,925	703,321	413,803	455,929
Marina, at cost	17,785,901	17,664,699	-	-
Less accumulated depreciation	(2,901,331)	(2,231,001)	-	-
	14,884,570	15,433,698	-	-
Capital work in progress	-	13,030	-	13,030
	-	13,030	-	13,030
	20,292,446	20,672,259	4,758,640	4,650,069

Movements in Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

2011	Marina $	Land and Ground Improve-ments $	Capital Work In Progress $	Buildings $	Plant and Equipment $	Total $
CONSOLIDATED GROUP						
Written down value at the beginning of the year - Restated	15,433,698	3,653,900	13,030	868,310	703,321	20,672,259
Additions	121,202	308,422	-	-	233,209	662,833
Disposals	-	-	-	-	-	-
Transfers	-	-	(13,030)	-	-	(13,030)
Depreciation Expense	(670,330)	(83,121)	-	(76,560)	(199,605)	(1,029,616)
Written down value at the end of the year	14,884,570	3,879,201	-	791,750	736,925	20,292,446

2011	Marina	Land and Ground Improve-ments	Capital Work In Progress	Buildings	Plant and Equipment	Total
PARENT ENTITY	$	$	$	$	$	$
Written down value at the beginning of the year	-	3,352,899	13,030	828,211	455,929	4,650,069
Additions	-	308,422	-	-	105,936	414,358
Disposal		-	-	-	-	-
Transfers	-	-	(13,030)	-	-	(13,030)
Depreciation Expense	-	(72,139)	-	(72,556)	(148,062)	(292,757)
Written down value at the end of the year	-	3,589,182	-	755,655	413,803	4,758,640

2010	Marina $	Land and Ground Improve-ments $	Capital Work In Progress $	Buildings $	Plant and Equipment $	Total $
CONSOLIDATED GROUP						
Written down value at the beginning of the year	2,302,396	3,685,598	1,983,185	943,265	855,745	9,770,189
Additions	2,460,001	20,995	8,911,590	-	70,862	11,463,448
Transfers	10,881,745	-	(10,881,745)	-	-	-
Depreciation Expense	(210,444)	(52,693)	-	(74,955)	(223,286)	(561,378)
Written down value at the end of the year	15,433,698	3,653,900	13,030	868,310	703,321	20,672,259

2010 PARENT ENTITY	Marina $	Land and Ground Improve-ments $	Capital Work In Progress $	Buildings $	Plant and Equipment $	Total $
Written down value at the beginning of the year	-	3,374,419	59,714	899,792	578,145	4,912,070
Additions/transfers	-	20,993	(46,684)	-	42,153	16,462
Depreciation Expense	-	(42,513)	-	(71,581)	(164,369)	(278,463)
Written down value at the end of the year	-	3,352,899	13,030	828,211	455,929	4,650,069

	Consolidated Group		Parent Entity	
NOTE 10 INVESTMENT PROPERTY	2011 $	2010 $	2011 $	2010 $
Motel building and improvements, at cost	4,259,490	4,259,490	-	-
Less accumulated depreciation	(484,899)	(343,071)	-	-
	3,774,591	3,916,419	-	-

Movements in Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Investment Property $	Total $
CONSOLIDATED GROUP		
Written down value at the beginning of	3,916,419	3,916,419
Additions/transfers		-
Depreciation Expense	(141,828)	(141,828)
Written down value at the end of the year	3,774,591	3,774,591

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2011

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
NOTE 11 TAX ASSETS	$	$	$	$
Current tax asset	4,418	13,253	-	-
Deferred tax asset	30,864	43,824	-	-
The balance comprises temporary differences attributable to:				
- Doubtful debts	2,100	2,100	-	-
- Employee benefits			-	-
- Other provisions and accruals	5,784	32,451	-	-
- Tax losses	22,379	8,071	-	-
- Other temporary differences	601	1,202	-	-
	30,864	43,824	-	-

The movements in deferred tax assets reconciles as follows:

2011	Doubtful debts	Tax losses	Other provisions and accruals	Other temporary differences	Total
	$	$	$	$	$
Opening balance 1 May 2010	2,100	8,071	32,451	1,202	43,824
Charged/credited to the statement of comprehensive income	-	14,308	(26,667)	(601)	(12,960)
Closing balance at 30 April 2011	2,100	22,379	5,784	601	30,864

2010	Tax losses	Doubtful debts	Employee benefits	Other provisions and accruals	Other temporary differences	Total
	$	$	$	$	$	$
Opening balance 1 May 2009	-	3,900	30,354	36,559	1,804	72,617
Balances not previously recognised					-	-
Charged/credited to the statement of comprehensive income	8,071	(1,800)	(30,354)	(4,108)	(602)	(28,793)
Closing balance at 30 April 2010	8,071	2,100	-	32,451	1,202	43,824

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
NOTE 12 TRADE AND OTHER PAYABLES	$	$	$	$
Current				
Trade and member payables	4,332,981	4,803,456	589,605	575,306
Loan - RQYS Marina Limited (i)	-	-	1,388,058	827,546
Loan - RQYS Nominees Pty Ltd (i)	-	-	-	168,750
	4,332,981	4,803,456	1,977,663	1,571,602

(i) The loan is interest free unsecured and payable on demand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2011

NOTE 13 FINANCIAL LIABILITIES	Consolidated Group 2011 $	Consolidated Group 2010 $	Parent Entity 2011 $	Parent Entity 2010 $
Current				
Bank loans	320,685	347,495	-	-
	320,685	347,495	-	-
Non-Current				
Bank loans	606,266	952,552	-	-
	606,266	952,552	-	-

The bank loan is secured by:

1. Registered mortgage over head lease held by RQYS Motel Pty Ltd over the property known as "Manly Marina Cove Motel", 578 Royal Esplanade Manly Qld.
2. Fixed and floating charge over all assets and uncalled capital of RQYS Motel Pty Limited.
3. Guarantee by Royal Queensland Yacht Squadron Limited

At 30 April 2011 the loan was subject to interest at rate of 7.3% in 2010 (2009:6.3%) and was repayable in monthly loan repayments of $35,000. The facility expires on 20 June 2019.

NOTE 14 PROVISIONS	Consolidated Group 2011 $	Consolidated Group 2010 $	Parent Entity 2011 $	Parent Entity 2010 $
Current				
Employee entitlements	276,652	256,554	276,652	256,554
Non-Current				
Employee entitlements	31,724	31,724	31,724	31,724
	308,376	288,278	308,376	288,278

NOTE 15 TAX LIABILITIES	Consolidated Group 2011 $	Consolidated Group 2010 $	Parent Entity 2011 $	Parent Entity 2010 $
Current				
Current tax asset	(4,418)	(13,253)	-	-
Non-Current				
Deferred tax liabilities	529,320	575,455	-	-
	529,320	562,202	-	-
The balance comprises temporary differences attributable to:				
- Depreciation	529,320	575,455	-	-
- Prepayments	-	-	-	-
	529,320	575,455	-	-

The movements in deferred tax liabilities reconciles as follows:

2011	Depreciation	Pre-payments	Total
Opening balance 1 May 2010	575,455	-	575,455
Charged/credited to the statement of comprehensive income	(46,135)	-	(46,135)
Closing balance at 30 April 2011	529,320		529,320

2010	Depreciation	Pre-payments	Total
Opening balance 1 May 2009	607,441	187	607,628
Charged/credited to the statement of comprehensive income	(31,986)	(187)	(32,173)
Closing balance at 30 April 2010	575,455	-	575,455

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2011

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
NOTE 16 OTHER LIABILITIES	$	$	$	$
Current				
Payments Received in Advance	2,216,268	2,197,145	707,883	800,402
Dredging Trust	740,000	420,000	-	-
	2,956,268	2,617,145	707,883	800,402
Non Current				
Payments Received in Advance	10,487,861	9,373,969	-	-
	10,487,861	9,373,969	-	-

NOTE 17 CASH FLOW INFORMATION

(a) Reconciliation of net cash from operating activities to operating profit after income tax

	Consolidated Group 2011	Consolidated Group 2010	Parent Entity 2011	Parent Entity 2010
Net profit after income tax	77,149	251,097	219,908	260,534
Adjustment for non cash items				
Depreciation	1,171,444	707,559	292,757	278,463
Distributions received	-	-	(48,007)	(119,459)
Profit on sale of non current assets	-	(1,455)	-	(1,455)
Non current assets written off	-	59,714	-	59,714
Adjustment for changes in assets and liabilities				
Decrease / (increase) in:				
Trade and other receivables	(193,695)	(277,045)	(106,801)	(21,239)
Other receivables	(2,221)	(859)	(6,745)	9,295
Inventories	(24,868)	20,134	(24,869)	20,134
Prepayments	-	136,645	-	302
Deferred tax assets	12,960	28,793	-	-
Increase/(decrease) in:				
Provision for doubtful debts	-	(5,500)	-	-
Accounts payable	(450,242)	2,490,468	475,365	(121,729)
Fees and levies in advance	1,453,015	8,904,989	(92,519)	26,251
Current income tax liability	8,835	(16,582)	-	-
Deferred tax liability	(46,135)	(32,173)	-	-
Provisions	23,698	(3,134)	20,098	98,047
Net cash from operating activities	2,029,940	12,262,651	729,187	488,858

(b) For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and bank deposits at call net of bank overdrafts. Cash and cash equivalents at the end of the year as shown in the statement of cash flows is reconciled to the related items in the accounts as follows:

	Consolidated Group 2011	Consolidated Group 2010	Parent Entity 2011	Parent Entity 2010
Cash and cash equivalents (note 4)	2,342,995	1,395,954	378,526	477,297
Term deposits (note 6)	1,040,000	980,000	-	-
Savings book account (note 6)	41,786	41,786	41,786	41,786
	3,424,781	2,417,740	420,312	519,083

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2011

NOTE 18 - PRIOR PERIOD ADJUSTMENT

CONSOLIDATED GROUP

The new marina was constructed during the year ended 30 April 2010. As part of the construction, the Department of Transport (previously the Port of Brisbane Corporation) undertook dredging of the area. Payment for the services had not been requested and as a result no accrual had been created at 30 April 2010 for the dredging costs.

This has been corrected by restating each of the affected financial statement line items for the previous period as follows:

Restatement - 30 April 2010	2010 $	Adjustment $	Restated $
Property, plant and equipment	18,233,259	2,439,000	20,672,259
TOTAL NON-CURRENT ASSETS	22,193,502	2,439,000	24,632,502
TOTAL ASSETS	26,033,246	2,439,000	28,472,246
Trade and other payables	2,364,456	2,439,000	4,803,456
TOTAL CURRENT LIABILITIES	5,585,650	2,439,000	8,024,650
TOTAL LIABILITIES	16,519,350	2,439,000	18,958,350

No restatement is necessary for the figures at 1 May 2009 as the adjustment was merely in respect of balance sheet items.

NOTE 19 INVESTMENT IN CONTROLLED ENTITIES

	Country of Incorporation	BENEFICIAL % HELD 2011	2010
Parent Entity			
Royal Queensland Yacht Squadron Limited	Australia		
Controlled Entity			
RQYS Marina Limited	Australia	100%	100%
RQYS Motel Pty Ltd	Australia	100%	100%
RQYS Nominees Pty Ltd	Australia	100%	100%
RQYS New Marina Trust	Australia	100%	100%
RQYS Motel Trust	Australia	100%	100%

NOTE 20 CONTRIBUTION TO THE CONSOLIDATED GROUP PROFIT AFTER INCOME TAX	2011 $	2010 $
Royal Queensland Yacht Squadron Limited	171,901	141,075
RQYS Marina Limited	(142,760)	(9,439)
RQYS Motel Pty Ltd as trustee for RQYS Motel Trust	22,181	91,260
RQYS Nominees Pty Ltd as trustee for RQYS New Marina Trust	25,827	28,199
	77,149	251,095

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL **2011**

NOTE 21 RESERVES

The ISOSSF Reserve is a reserve to support up and coming sailors in their various endeavours.

The Trophy Fund Reserve is a reserve to maintain the trophies of the of the Royal Queensland Yacht Squadron Limited.

NOTE 22 SEGMENT INFORMATION

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

- to provide sporting activities associated with sailing, power boating, game fishing and other services to members;
- acting as a marina and slipping operator; and
- landlord of a motel property.

All activities were provided within Queensland.

NOTE 23 CAPITAL AND LEASE COMMITMENTS	**Consolidated Group**		**Parent Entity**	
	2011	**2010**	**2011**	**2010**
	$	**$**	**$**	**$**
Operating Lease Commitments Payable				
Not later than one year	544,027	475,372	37,207	37,207
Later than one year but not later than five years	2,704,010	2,502,087	148,826	148,826
Later than five years	12,600,997	12,568,235	479,913	517,119
	15,849,034	15,545,694	665,946	703,152

Marina 1 is located in an area which is subject to a lease from the Department of Transport (previously the Port of Brisbane Corporation). The lease, which commenced 19 March 1999, has an expiration date of 31 December 2028.

Marina 2 is located in an area which is subject to a lease from the Department of Transport (previously the Port of Brisbane Corporation). The lease, which commenced 25 February 2010, has an expiration date of 24 February 2035.

	Consolidated Group		**Parent Entity**	
	2011	**2010**	**2011**	**2010**
NOTE 24 EMPLOYEE BENEFITS	**$**	**$**	**$**	**$**
The aggregate employee benefit liability recognised and included in the financial statements is as follows:				
Provision for employee benefits:				
Current (Note 14)	276,652	256,554	276,652	256,554
Non-current (Note 14)	31,724	31,724	31,724	31,724
Accrued wages and salaries (i)	21,167	19,393	21,167	19,393
	329,543	307,671	329,543	307,671
(i) Accrued wages and salaries are included in the current payables balance as disclosed in the statement of financial position to the financial statement.				
Number of employees at year end	29	25	29	25

NOTE 25 INCORPORATION

The parent entity was incorporated as Royal Queensland Yacht Squadron Limited on 14 October 1991 as a public company limited by guarantee and not having a share capital. Under Clause 6 of the Memorandum of Association every person who is a member or within one year after ceasing to be a member, is liable to contribute to the assets of the company in the event of a winding up to an amount not exceeding $100 in the case of full members, $80 in the case of country members and members who are residing outside Queensland, life members, senior members, social members, crew members, young adult members and honorary members and $60 in respect of junior members. In the case of fully paid members the payment of the fully paid membership fee discharges them from any further liability as members of the company. The number of members is as follows:

	Parent Entity	
	2011	**2010**
	No.	**No.**
City	809	776
Country	90	87
Other classes	1738	1631
Associates	673	778
	3,310	3,272

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL **2011**

NOTE 26 RELATED PARTY TRANSACTIONS

(a) Directors' Names

The names of directors who have held office during the financial year are listed in the Directors' report.

(b) Directors' Remuneration and Retirement Benefits

The directors' received no remuneration or retirement benefits.

(c) Transactions with Directors' and Director Related Entities

Some of the directors of the company are also directors of RQYS Marina Limited which has lent moneys to the company. The details of these loans are set out in Note 12. Some of the directors of the company are also directors of RQYS Motel Pty Ltd (as trustee for RQYS Motel Trust) and RQYS Nominees Pty Ltd (as trustee for RQYS New Marina Trust) which have been lent money by the company. The details of these loans are set out in Note 5.

All the current Directors of Royal Queensland Yacht Squadron Limited, with the exception of, Peter John Conde, Mark Drew Gallagher and Gregory Dixon Clarke have an interest in berths managed and maintained by RQYS Marina Limited. This interest involves the ownership or rental of Marina berths, with all transactions conducted at all times strictly at arm's length.

Edward Boast and Matthew Norman Hill-Smith who are current Directors of Royal Queensalnd Yacht Squadron Limited, have an interest in berths managed and maintained by RQYS Nominees Pty Limited. This interest involves the ownership or rental of Marina berths, with all transactions conducted strictly at arms length at all times.

During the year the parent entity purchased goods and services amounting to $61,916 (2010: $58,153) from Inflatable Ribs Marine. Inflatable Ribs Marine is a company associated with Mr Edward Boast, a director of Royal Queensland Yacht Squadron Limited. All transactions with Inflatable Ribs Marine are of a commercial nature and conducted at all times strictly at arms length.

Ian Robert Threlfall who is a Director of Royal Queensland Yacht Squadron Limited, was also employed during the year by the company.

NOTE 27 NET FAIR VALUE

The net fair value of cash, trade receivables, investment and accounts payable approximate their carrying values.

NOTE 28 CONTINGENT LIABILITIES

There are currently no contingent liabilities that require disclosure in the financial statements other than Royal Queensland Yacht Squadron Limited has provided a guarantee to the Westpac Bank with respect to the loan repayment obligations of RQYS Motel Pty Ltd. At the date of this statement there is no indication that any demand will be made under the guarantee.

NOTE 29 COMPANY DETAILS

The Royal Queensland Yacht Squadron was incorporated in Queensland, Australia and is of Australian domicile. The registered office is situated at 578 Royal Esplanade, Manly QLD 4179.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL **2011**

NOTE 30 - FINANCIAL RISK MANAGEMENT

The parent entity and consolidated group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, loans to and from subsidiaries and bank loans.

The main purpose of non-derivative financial instruments is to raise finance for the consolidated group and parent entity operations. The parent entity and the consolidated group do not have any derivative instruments at 30 April 2011.

Significant accounting policies

Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis for measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

Financial Risk Management

The main risks the parent entity and consolidated group are exposed to through its financial assets and liabilities are interest rate risk, liquidity risk and credit risk. The consolidated group's risk management program focuses on the unpredictability of the financial markets and seeks to minimise the potential adverse effects of the financial performance of the parent entity and consolidated group, by way of various measures detailed below.

Senior management analyse interest rate exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

There has been no changes to the consoldated group or parent entities financial risk management strategies during the year.

Risk management is carried out by the board of directors and key management personnel.

(a) Market Risk

Interest rate risk
The consolidated group's and the parent entities interest rate risk arises from funds on deposit with banks and the borrowing of funds to finance the construction of capital assets. Interest bearing deposits and borrowings at variable rates expose the group to cash flow interest rate risk.

Cash flow sensitivity analysis for variable rate instruments
The sensitivity analysis' have been determined based on the exposure of the parent entity and consolidated group to interest rates for non-derivative financial instruments at the statement date at the stipulated change taking place at the beginning of the financial year and held constant throughout the statement period. A 0.5% increase or decrease is used when statement interest rates internally to key management personnel and represents management's assessment of the possible change in interest rates.

At 30 April 2011, the effect on the consolidated group's and the parent entity's pre-tax profit and retained profits if interest rates had increased / decreased by 0.5% from the period-end rates with all other variables held constant would be immaterial (2010 - immaterial).

There have been no changes to the consolidated and parent entity's exposure to interest rate risk or the manner in which they manage and measure the risk.

Price risk
The parent entity and consolidated group are not exposed to any material commodity price risk.

Foreign currency risk
The parent entity and consolidated group do not have any exposures to foreign currencies at the statement date.

NOTE 30 - FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the consolidated group. The consolidated group enters into legally binding contracts and management monitors the progress of these contracts in accordance with contract values, as a means of mitigating the risk from financial loss.

The group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the parent entity and consolidated group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The ageing of the company's trade receivables at the reporting date was:

	2011		2010	
CONSOLIDATED GROUP	**Gross**	**Impairment**	**Gross**	**Impairment**
	$	**$**	**$**	**$**
Not past due (current)	1,289,047	(5,000)	1,057,397	(5,000)
Not past due 0-30 days(30 day ageing)	43,510	(15,646)	19,037	(15,646)
Not past due 31 - 60 days (60 day ageing)	9,519	-	142,600	-
Past due 61 - 90 days (90 day ageing)	3,286	(4,565)	4,565	(4,565)
Past due more than 90 days (120 days + ageing)	183,954	(1,289)	1,289	(1,289)
	1,418,582	(30,100)	1,224,888	(26,500)

Based on historic default rates, the company believes that no further impairment allowance is necessary in respect of receivables not past due or past due and not impaired as indicated above. Past due receivables are individually analysed and an impairment provision established as necessary.

The movement in the provision for impairment of receivables in respect of trade receivables of the company during the year was as follows:

	2011	2010
	$	**$**
Balance at 1 May	26,500	32,000
Impairment loss recognised	3,600	500
Receivables written off	-	(6,000)
Balance at 30 April	30,100	26,500

	2011		2010	
PARENT ENTITY	**Gross**	**Impairment**	**Gross**	**Impairment**
	$	**$**	**$**	**$**
Not past due (current)	448,845	-	393,554	-
Not past due 0-30 days(30 day ageing)	17,790	(10,990)	13,104	(10,990)
Past due 31 - 60 days (60 day ageing)	5,919	(2,871)	2,871	(2,871)
Past due 61 - 90 days (90 day ageing)	2,019	(1,139)	1,139	(1,139)
Past due more than 90 days (120 days + ageing)	644	-	-	-
	448,165	(15,000)	410,668	(15,000)

Based on historic default rates, the company believes that no further impairment allowance is necessary in respect of receivables not past due or past due and not impaired as indicated above. Past due receivables are individually analysed and an impairment provision established as necessary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2011

NOTE 30 - FINANCIAL RISK MANAGEMENT (CONTINUED)

The movement in the provision for impairment of receivables in respect of trade receivables of the company during the year was as follows:

	2011 $	2010 $
Balance at 1 May	15,000	15,000
Impairment loss recognised	-	-
Receivables written off	-	-
Balance at 30 April	15,000	15,000

(c) Liquidity risk

Ultimate responsibility for liquidity risk rests with the board of directors, who have an appropriate liquidity risk management framework for the management of the chief and economic entity's short, medium and long-term funding and liquidity requirements.

The parent entity and consolidated group manage liquidity risk by monitoring forecast and actual cash flows and enter into purchases and contracts in accordance with appropriate expenditure approval authority policies.

The parent and consolidated group's liquidity risk relating to financial liabilities at 30 April 2011 is limited to the repayment of the long-term bank loan amounting to $926,951 (2010:$1,300,047) and trade payables. Trade payables are short-term in nature. The consolidated group does not finance its operational expenditure through debt.

(d) Interest Rate Risk

The group'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:

NOTE 30 - FINANCIAL RISK MANAGEMENT (CONTINUED)
CONSOLIDATED GROUP

2011	Weighted Average Effective Rate %	Floating Interest Rate $	Non-Interest Bearing $	Total $
Financial Assets				
Cash and Cash Equivalents	3.4%	2,314,475	28,520	2,342,995
Other Financial assets	5.29%	1,081,786	-	1,081,786
Trade and other receivables		-	1,456,803	1,456,803
Total Financial Assets		3,396,261	1,485,323	4,881,584
Financial Liabilities				
Accounts payable		-	4,332,981	4,332,981
Interest bearing liabilities	7.07%	926,951	-	926,951
Total Financial Liabilities		926,951	4,332,981	5,259,932

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL **2011**

NOTE 30 - FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Interest Rate Risk (continued)

CONSOLIDATED GROUP

2010	**Weighted Average Effective Rate**	**Floating Interest Rate**	**Non-Interest Bearing**	**Total**
	%	**$**	**$**	**$**
Financial Assets				
Cash and Cash Equivalents	2.0%	1,369,844	26,110	1,395,954
Other financial assets	5.3%	1,021,786	-	1,021,786
Trade and other receivables		-	1,287,351	1,287,351
Total Financial Assets		2,391,630	1,313,461	3,705,091
Financial Liabilities				
Accounts payable		-	4,803,456	4,803,456
Interest bearing liabilities	6.3%	1,300,047	-	1,300,047
Total Financial Liabilities		1,300,047	4,803,456	6,103,503

PARENT ENTITY

2011				
Financial Assets				
Cash and Cash Equivalents	0.04%	350,003	28,520	378,523
Short Term Deposits		41,786	-	41,786
Trade and other receivables		-	448,165	448,165
Loans to related companies	6.00%	(184,766)	184,766	-
Total Financial Assets		207,023	661,451	868,474
Financial Liabilities				
Accounts payable		-	589,605	589,605
Loans from related entities		-	1,388,058	1,388,058
Total Financial Liabilities		-	1,977,663	1,977,663
2010				
Financial Assets				
Cash and Cash Equivalents	0.03%	451,185	26,110	477,295
Short Term Deposits		41,786	-	41,786
Trade and other receivables		-	410,668	410,668
Loans to related companies	6.00%	2,227,598	279,999	2,507,597
Total Financial Assets		2,720,569	716,777	3,437,346
Financial Liabilities				
Accounts payable		-	575,306	575,306
Loans from related entities		-	996,296	996,296
Total Financial Liabilities		-	1,571,602	1,571,602

	Consolidated Group		**Parent Entity**	
	2011	**2010**	**2011**	**2010**
NOTE 31 KEY MANAGEMENT PERSONNEL COMPENSATION	**$**	**$**	**$**	**$**
Short-term employment benefits	130,689	105,042	130,689	105,042
Post-employment benefits	-	19,869	-	19,869
Long-term benefits	19,674	15,157	19,674	15,157
Termination benefits	-	43,495	-	43,495
	150,363	183,563	150,363	183,563

DIRECTOR'S DECLARATION

FOR THE YEAR ENDED 30 APRIL **2011**

The directors declare that:

(a) The financial statements and notes set out on pages 17 to 39 are in accordance with the *Corporations Act 2001;* and:

(i) comply with Accounting Standards and other mandatory professional reporting requirements; and

(ii) give a true and fair view of the consolidated group and the companies financial position as at 30 April 2011 and its performance as represented by the results of its operations and its cash flows, for the year ended on that date; and

(b) 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; and

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

C R McCart
Chairman

Dated at Brisbane, 14 June 2010

D G Virgo
Director

Dated at Brisbane, 14 June 2010

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 APRIL **2011**

To the members of Royal Queensland Yacht Squadron Limited

Report on the Financial Report

We have audited the accompanying financial report of Royal Queensland Yacht Squadron Limited, which comprises the statements of financial position as at 30 April 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 company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view 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. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Royal Queensland Yacht Squadron Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 30 APRIL **2011**

Opinion
In our opinion:

(a) the financial report of Royal Queensland Yacht Squadron Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the company's and consolidated entity's financial positions as at 30 April 2011 and of their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the consolidated financial statements and notes also comply with *International Financial Reporting Standards* as disclosed in Note 1.

Crowe Horwath Brisbane

Brendan Worrall
Principal

Signed at Brisbane, 14 June 2011

MEMORIAL AND TROPHY DONATIONS

FOR THE YEAR ENDED 30 APRIL **2011**

MEMORIALS

	$
C Andrew	1,000
W S Brett	200
F A Bruce	200
R Burton	200
D Campbell	900
L Curtin	250
W A Douglas	500
N T C Ekelund	1,000
G H Griffiths	110
E N Ham	200
J H Hart	250
J Hunter	1,000
M Leutenegger	4,000
J M MacGibbon	200
R McQuaker	5,000
D G & H W Munro	200
W A O'Hare	2,000
J H Robinson	400
F W Tritton	800
J Underwood	400
A & J Brooke	1,000
	$19,810

PERPETUAL TROPHY FUNDS

	$		$
E Amos	200	H B Lucas	200
R G Andrew	200	R W Mathers	1,000
J G P Baron	200	Mowbray Park Sailing Club	200
W Bishop	200	Sir Ellis Murphy	400
P M Brady	200	W S Norton	200
G Cavill	200	P F O'Hare	200
J B Cuneo	200	J D Perrins	200
V R Day	200	B C Robinson	200
E A Dolby	200	B J Russell	200
C A Fraser	200	G Savage	750
N J Ham	200	Sir Frank Sharpe	200
Sir Byrne Hart	200	B G S Schooley	100
L R Hendy	300	R V & W J Thompson	200
W G Kirby	200	W E Whatmore	200
J Larking	300	S N Wood	500
N G Lockyer	300	The Allan Wilson Family	1,000
E Lockyer	200	S Winston-Smith	200
R & J Legg	200	N J Wright	200
J P Love	200	Inter-Club Laser Trophy	100
A J Love	100		
			$10,450
		Total Donations	$30,260

MARINA CHAIRMAN'S REPORT **2011**

*"The pessimist complains about the wind;
The optimist expects it to change;
The realist adjusts the sails."*
W A Wood

FINANCIAL ACCOUNTS

In recent years mention has been made of the changes in the Company's tax status as a result of advice from the Australian Taxation Office that RQYS Marina Ltd was no longer "a Mutual". That fact remains relevant in the day by day conduct of the Company's affairs, along with many other things.

For those of you who experience the same difficulty as I in interpreting Financial Accounts, the following comments on some of the elements relating to losses may be helpful:

- The accounting loss for the 2009/10 Financial Year was slightly over $9,400 and for the 2010/11 year the amount is $142,760;
- While the loss in the current year for accounting purposes is $142,760, there has been lower expenditure in Repairs and Maintenance of $218,000, because some previously scheduled work has been deferred while decisions are made on whether to repair or rebuild the on-water structures. This lower expenditure reflects in an increase of $260,000 in the amount held in Trust for Berth Owners to be used for dredging in our Lease area.
- There has been expenditure of $119,000 on investigations into the work to be done on the Marina;

Note: The increase of $260,000 in the amount held in Trust for dredging and the expenditure of $119,000 making investigations into the work to be done on the Marina will result in lower amounts of money having to be collected from the Berth Owners when the work in question is being done.

WHERE WE HAVE BEEN

In past Annual and other Reports a wide variety of information has been provided about what has happened in the Marina. However, as major decisions concerning the future of the on-water structures will be made at an Extraordinary General Meeting in the not too far distant future, repeating some of the facts reported on over the years is considered to be desirable.

- Stage 1 was built and occupied from 1981 and Stage 2 was built in a number of different sections from 1984 through to 1992.
- The on-water structures were designed for a lifespan of 15 years and that is the period offered by the Company and for which the original Berth Owners paid the rent in advance.
- In Stage 1, Berth Owners were granted what were then Sub-Leases expiring in 1996. In Stage 2 Berth Owners were granted Permits to Occupy which were to be replaced with Sub-Leases after the Head Lease was granted to the Company.
- In or about 1992 negotiations were concluded with Port of Brisbane Corporation for a term of 30 years on the basis, among others, it would apply to both Stages 1 and 2 of the Marina and would commence from a common date.
- The first Directors of the Company made commitments to the original Berth Owners to the effect they would receive the benefit of any extension of time which could be obtained after the expiration of the initial 15 years. The promises were kept and the extension was made available free of charge.
- The 30 year period commenced from 1st January 1999 and expires on 30th December 2028. Berth Owners were informed at the time the 30 year period was granted no residual rights would remain after 30th December 2028 and that has been repeated in Reports since then.

MARINA CHAIRMAN'S REPORT **2011**

- Berth Owners now hold Sub-Sub-Leases and the program to "register them on the Title" has progressed to the point more than 400 have been finalised. Failure by some Berth Owners to provide documents and sign material when requested has made the project far more time consuming and expensive than would otherwise have been the case.
- Over the years, investigations have been undertaken to determine the most economical way to maintain and continue to operate structures which were designed for a 15 year lifespan and in some cases, will be 47 years old by 2028. From time to time, Berth Owners have been informed of the results of these investigations.
- The Directors decided to accumulate assets which can be used in the overall affairs of the Company, including repairs and rebuilding.
- The accumulated assets currently consist of $1,764,000 in available cash to the Marina Company, $800,000 in the Dredging Trust, $274,000 paid to Port of Brisbane Corporation and Department of Transport and Main Roads since 2002 for the dredging of the access channels and common areas in the Harbour and 11 berths of varying sizes. In addition a further 6 to 10 berths can be built.
  Note: In the case of the $1,764,000 available cash, it is the view of the Directors an amount in the order of $500,000 should be retained to deal with unexpected eventualities. The figures quoted are accurate at the time of publishing this Report, rather than the end of the Financial Year.
- As the size and type of boats has changed over time, Directors and Management have investigated a range of alternative physical configurations.
- Until the building of the access road for Marina 2 effectively changed the shape of the Marina 1 site, none of the alternative configurations considered were feasible, because of the substantially lesser number of berths which could be accommodated.
- Following the construction of Marina 2, investigations in 2009 revealed it was possible to build 453 berths with total lengths exceeding the existing berths by 300metres and also, with a greater number of berths for multi-hulled vessels.
- After excluding the 11 owned by the Company, 453 berths was sufficient in number to provide one for each individual Berth Owner and a reconfiguration was therefore physically possible and investigations indicated it was economically feasible and commercially desirable.
- An Application to the Australian Taxation Office confirmed the concerns of some Directors that a reconfiguration would have Capital Gains Tax implications, for both Berth Owners and the Company, of such a nature the exercise would not be economically viable.
- Since it became known in 2010 a reconfiguration was not economically viable because of the tax implications, research and investigations have focused on either rebuilding the structures in their existing configuration or continuing to repair them.
- There have been a substantial number of berths listed for sale over recent years, following a period when none were available and there was a waiting-list of buyers. Efforts by the person dealing with sales produced limited results. It is thought the GFC and the deteriorating appearance of the structures were contributing factors.
- All involved in the operation of the Marina, including Management, Consultants and the Directors are and remain of the opinion restorative work is urgently required and that when it is done, it will help sales and improve values.
- The Company's Legal Consultants advised rebuilding the structures would involve capital outlays, rather than deductible expenditure for Tax purposes. As that would require Berth Owners to contribute an additional $3M - $4M to pay the Tax on the contributions, the Company called for tenders on works which would hopefully be accepted by the ATO as constituting repairs.
  Note: Contributions by Berth Owners to the Company to perform capital works constitutes income and is taxable in the

MARINA CHAIRMAN'S REPORT **2011**

hands of RQYS Marina Ltd. That situation applies, irrespective of the tax status of individual Berth Owners.

- Having obtained quotations from three different Marina Builders and concluding what two of them proposed would constitute works of a capital nature, the Company sought a Private Binding Ruling from the Tax Office on modified proposals from the third Builder. The Ruling by the Tax Office received at the end of March 2011 was that the majority of the works proposed by the third Builder were also of a capital nature and would require an additional contribution from Berth Owners of in excess of $4,300,000 to pay the Tax involved on the quoted costs.
- Among many other things, investigations are being carried out in relation to whether the Company could qualify as an exempt sporting body.
- While the Rulings received from the ATO have been unfavorable, it was important they be obtained. The alternative was "to run the risk" and face the potential for "unpleasant surprises". The Directors were not prepared to run the risk of adverse outcomes which would affect the Company and over 450 Berth Owners.

WHERE TO FROM HERE

Further possibilities to carry out works to comply with the requirements of the Queensland Fire and Rescue Services in respect of the fire fighting facilities are being investigated and it is expected an Extraordinary General Meeting of the Berth Owners will be held within the next few months to consider all of the options.

At one end of the spectrum, it is physically possible to continue repairing the structures out to 2028. However, indications are the cost of doing the works concerned will escalate very significantly over time and in addition to the costs involved, the structures will look "old and tired" by comparison with Marina 2. These factors are considered likely to put downward pressure on values of individual berths.

The other end of the spectrum is to rebuild the on-water structures. That is likely to preserve the value of the berths, by comparison with Marina 2 and others within the Harbour and significantly reduce on-going maintenance costs. However, the contributions required from Berth Owners to do the work and pay the Tax will be far higher in the short term.

Efforts will also be made to identify options between the extremes of continuing to repair the existing structures and rebuilding them.

Full details of all options will be communicated to Berth Owners prior to the Extraordinary General Meeting. This will allow all to be fully informed in advance of the EGM.

SUMMARY

The on-water structures were designed to have a minimum 15 years operating life-span and in the case of Stage 1, have already served us well for 30 years.

The original Berth Owners paid for 15 years and received the benefit of the increased period free of charge. Those who bought berths from original owners prior to the increase also received the benefit.

It is currently thought decisions will have to be made on the two extremes of whether to keep repairing the on-water structures out to the end of 2028 or undertake a rebuilding now.

There are a number of different views on whether or not a reconfiguration will be required in 2028. A decision on that will probably be made in the early to mid 2020s and will be dependent on a further period being available.

The Company has substantial assets which can be used in either repairs, rebuilding or any other exercise which may be decided upon. In addition, the Company has contributed in the order of $2M to projects involving the Squadron which have been for the benefit of Berth Owners.

A decision on the work to be undertaken will be made by the Berth Owners at an Extraordinary General Meeting.

All great achievements require time.
M Angelou

Bill Kirby
Chairman of Directors

RQYS Marina Limited
ABN 23 010 217 991

FINANCIAL REPORT
for the Year Ended 30 April 2011

CONTENTS	PAGE

DIRECTOR'S REPORT
FOR THE YEAR ENDED 30 APRIL **2011**

The directors of RQYS Marina Limited submit herewith the financial statements of the company for the year ended 30 April 2011 and report in accordance with a resolution of the directors as follows:

1. The following persons were directors of the entity during the whole of the financial year and up to the date of this report:

William George Kirby
Kevin Anthony Miller
Charles Russell McCart
Peter John Conde
Gregory Dixon Clarke

2. Particulars of directors' qualifications, experience, special responsibilities, are as follows:

Name and Qualifications	Experience	Responsibility
William George Kirby	Director for nine years	Chairman of the Board
Kevin Anthony Miller B.Com., F.V.L.E.	Director for nine years	
Charles Russell McCart B.Bus. Mgmt	Director for five years	
Peter John Conde MBA, BE (Hons)	Director for three years	
Gregory Dixon Clarke Dip. Bus., MAICD	Director for two years	

Each director other than Peter Conde and Gregory Clarke is a member of the Company.

3. During the financial year 8 meetings of the company's directors were held. The number of meetings each director of the company attended is as follows:

	Number of Board Meetings Held while a Director	Board Meetings Attended
William George Kirby	8	8
Kevin Anthony Miller	8	7
Charles Russell McCart	8	8
Peter Conde	8	5
Gregory Dixon Clarke	8	7

4. The liability of each member to contribute if the Company is wound up is $10.The total amount that members would be liable if the Company is wound up is $4,000.

5. The entity reported on is the company.

DIRECTOR'S REPORT
FOR THE YEAR ENDED 30 APRIL **2011**

6. The short and long term objectives are to provide a high standard of marina berths.

7. Through its annual business plan and planning by Directors, the Company has identified supporting goals and actions to support the achievement of its short and long term objectives.

8. The principal activities during the year were providing and maintaining marina berths.

9. The principal activities were focussed on meeting its short and long term objectives by providing members with quality services and facilities.

10. The entity measures its performance by monthly financial reporting against budget.

11. The Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 is set out on page 3 and forms part of the directors' report for the year ended 30 April 2011.

Signed in accordance with a resolution of the Board of Directors of RQYS Marina Limited.

W G Kirby
Chairman

Dated at Brisbane, 14 June 2011

C R McCart
Director

Dated at Brisbane, 14 June 2011

AUDITOR'S INDEPENDENCE DECLARATION
FOR THE YEAR ENDED 30 APRIL **2011**

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the directors of RQYS Marina Limited

I declare that, to the best of my knowledge and belief, during the year ended 14 June 2011 there has been:

i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Crowe Horwath Brisbane

B.D. Worrall

Brendan Worrall
Principal

Signed at Brisbane, 14 June 2011

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2011

	NOTE	2011 $	2010 $
REVENUE			
Marina operations income		1,090,496	1,616,766
Interest income		82,508	60,541
TOTAL REVENUE		1,173,004	1,677,307
EXPENSES			
Marina operations expenses		(725,572)	(894,811)
Administration expenses		(623,366)	(795,316)
TOTAL EXPENSES		(1,348,938)	(1,690,127)
PROFIT (LOSS) BEFORE INCOME TAX	2	(175,934)	(12,820)
Income tax expense (revenue)	3	(33,174)	(3,381)
PROFIT (LOSS) FOR THE YEAR		(142,760)	(9,439)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(142,760)	(9,439)
Profit (Loss) for the year attributable to:			
- Members		(142,760)	(9,439)
Total comprehensive income for the year attributable to:			
- Members		(142,760)	(9,439)

Notes to the financial statements are attached

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 APRIL 2011

	NOTE	2011	Restated 2010	Restated 1 May 2009
		$	$	
CURRENT ASSETS				
Cash and cash equivalents	4	45,316	31,132	66,908
Trade and other receivables	5	2,015,408	1,410,698	1,410,050
Other financial assets	6	540,000	480,000	398,934
Current tax assets	9	4,418	13,253	-
Other current assets	7	1,704	2,220	138,563
TOTAL CURRENT ASSETS		2,606,846	1,937,303	2,014,455
NON-CURRENT ASSETS				
Trade and other receivables	5	1,387,226	1,868,273	1,631,449
Property, plant and equipment	8	2,811,725	2,750,623	2,904,735
Deferred tax assets	9	30,865	43,824	72,617
TOTAL NON-CURRENT ASSETS		4,229,816	4,662,720	4,608,801
TOTAL ASSETS		6,836,662	6,600,023	6,623,256
CURRENT LIABILITIES				
Trade and other payables	10	954,363	937,889	917,244
Other current liabilities	12	1,539,660	1,130,600	1,028,356
Short term provisions		-	-	94,346
Current tax liability		-	-	3,329
TOTAL CURRENT LIABILITIES		2,494,023	2,068,489	2,043,275
NON-CURRENT LIABILITIES				
Long term provision		-	-	6,835
Deferred tax liability	11	529,320	575,455	607,628
TOTAL NON-CURRENT LIABILITIES		529,320	575,455	614,463
TOTAL LIABILITIES		3,023,343	2,643,944	2,657,738
NET ASSETS		3,813,319	3,956,079	3,965,518
EQUITY				
Retained profits		3,813,319	3,956,079	3,965,518
TOTAL EQUITY		3,813,319	3,956,079	3,965,518

Notes to the financial statements are attached

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2011

	Retained Profits $	Total $
30 April 2010		
Balance at 1 May 2009	3,965,518	3,965,518
Total comprehensive income		
- Profit/(loss) for the period	(9,439)	(9,439)
- Other comprehensive income	-	-
Total comprehensive income for the year	(9,439)	(9,439)
Balance at 30 April 2010	3,956,079	3,956,079
30 April 2011		
Balance at 1 May 2010	3,956,079	3,956,079
Total comprehensive income		
- Profit/(loss) for the period	(142,760)	(142,760)
- Other comprehensive income	-	-
Total comprehensive income for the year	(142,760)	(142,760)
Balance at 30 April 2011	3,813,319	3,813,319

Notes to the financial statements are attached

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2011

	NOTE	2011 $	2010 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,397,296	1,885,473
Payments to suppliers and employees		(1,073,426)	(1,624,759)
Interest received		91,424	51,625
Income tax paid		-	(16,582)
NET CASH FROM / (USED IN) OPERATING ACTIVITIES	**13 (a)**	415,294	295,757
CASH FLOWS FROM INVESTING ACTIVITIES			
Loans advanced		(79,465)	(218,719)
Loan repayments received		-	-
Payment for property, plant and equipment		(261,645)	(31,748)
NET CASH FROM / (USED IN) INVESTING ACTIVITIES		(341,110)	(250,467)
Net increase/(decrease) in cash held		74,184	45,290
Cash at the beginning of the period	**13 (b)**	511,132	465,842
CASH AT THE END OF THE PERIOD	**13 (b)**	585,316	511,132

Notes to the financial statements are attached

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL **2011**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are general purpose financial statements that have been prepared in accordance with Accounting Standards (including Australian Accounting Interpretations), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial statements cover the RQYS Marina Limited as an individual entity. RQYS Marina Limited is a public company limited by guarantee, incorporated and is domiciled in Australia.

The financial statements were authorised for issue by the Board of Directors on 14 June 2011.

The financial report has been prepared on an accrual 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.

The financial report of RQYS Marina Limited complies with all Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety.

New and amended standards adopted.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 July 2010:

- AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project
- AASB 2009-8 Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions
- AASB 2009-10 Amendments to Australian Accounting Standards – Classification of Rights Issues
- AASB Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments and AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19, and
- AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project.

The adoption of these standards did not have any impact on the current period or any prior period and is not likely to affect future periods.

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

(a) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are stated at cost, less depreciation and impairment losses.

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 which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL **2011**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of comprehensive income.

Depreciation
The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the company 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.

Marina 1 is located in an area which is subject to a lease from the Department of Transport (previously the Port of Brisbane Corporation). The lease, which commenced 19 March 1999, has an expiration date of 31 December 2028.

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

CLASS OF ASSET	**DEPRECIATION RATE**
Ground improvements	5-10%
Building and improvements	2-25%
Marina	2-20%
Plant and equipment	4-25%

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 statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(b) Income Tax
The charge for current income tax expense is based on the profit/(loss) 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 the liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items directly to equity, in which case the deferred tax is adjusted directly in other comprehensive income.

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 company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to the 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. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term. Lease payments received reduce the liability.

(d) 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 statement of comprehensive income.

(e) 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.

(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 statement of financial position.

(g) Trade and other receivables

Sales made on credit are included in "Trade Debtors" and are recorded at the balance due, less a provision for doubtful debts for non-recoverable amounts. Trade debtors are due within 30 days from the end of the month.

(h) Trade and other payables

A liability is recorded for goods and services received prior to balance date, whether invoiced to the company or not. Trade payables are normally settled within 30 days.

(i) Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

(i) *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 subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

(ii) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL **2011**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Revenue

Revenue is measured at the fair value for the consideration received or receivable. Revenue is recorded on an accrual basis as the goods are delivered or the service provided. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. All revenue is stated net of the amount of goods and services tax (GST).

(k) 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 statement of financial position are shown inclusive of GST.

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

(l) Comparatives

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

Comparative figures have also been changed where classifications of income and expenditure items have been altered from the prior year as a result of a review by the directors. The new classifications have been altered to reflect a more accurate view of the entity's operations.

(m) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial statements 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.

Key estimates – Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value in-use calculations are performed in assessing recoverable amounts and incorporate a number of key estimates.

No impairment has been recognised for the year ended 30 April 2011.

For income tax purposes, the member contributions received for the dredging levy and for the marina redevelopment levy have been deferred for tax purposes on the basis that the directors' believe that they qualify as constructive trusts and that the directors' are currently seeking advice to ensure all necessary documentation is put in place to evidence this and ensure there is full compliance with all statutory obligations.

NOTE 2 PROFIT (LOSS) BEFORE INCOME TAX	**2011 $**	**2010 $**
Profit(loss) before income tax expense has been determined after:		
Revenue		
Interest income		
- External	31,156	15,528
- Related entity	51,352	45,013
Expenses		
Auditor Remuneration		
- Audit Services	13,120	12,600
- Other Services	9,045	3,800
Impairment losses - financial assets		
- Trade Receivables	-	6,945
Depreciation expenses		
- Marina	143,406	121,645
- Land and Ground improvements	10,982	10,178
- Buildings	4,004	3,374
- Plant and equipment	42,151	50,663
	200,543	185,860
Rental expense relating to operating leases		
- Minimum lease payments	339,874	334,707

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2011

NOTE 3 INCOME TAX	2011 $	2010 $
Income tax expense		
- Current tax	-	-
- Deferred tax	(33,175)	(3,381)
	(33,175)	(3,381)
Deferred income tax expense (benefit) included in income tax expense comprises		
- (increase)/decrease in deferred tax assets (Note 9)	12,959	28,793
- increase/(decrease) in deferred tax liability (Note 12)	(46,134)	(32,173)
	(33,175)	(3,380)
Numerical reconciliation of income tax expense to prima facie tax payable		
Operating profit(loss) before tax		
Tax at the Australian tax rate of 30% (2009 - 30%)	(52,780)	(3,846)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Over/under provision of deferred tax assets and liabilities in prior years	19,605	465
- Net benefit of tax losses not previously recognised	-	
Income tax expense (revenue)	(33,175)	(3,381)

NOTE 4 CASH AND CASH EQUIVALENTS		
Cash at bank	45,316	31,132
	45,316	31,132

NOTE 5 TRADE AND OTHER RECEIVABLES		
Current		
Trade debtors	598,765	532,090
Less provision for impairment of receivables	(7,000)	(7,000)
	591,765	525,090
Other debtors	35,585	58,062
Loan -Royal Queensland Yacht Squadron Limited interest free, unsecured and repayable on demand	1,388,058	827,546
	1,423,643	885,608
	2,015,408	1,410,698
Non-Current		
Loan -RQYS New Marina Trust unsecured and repayable on demand, interest at 5% payable on $1,021,485	1,387,226	1,868,273
	1,387,226	1,868,273
	3,402,634	3,278,971

NOTE 6 OTHER FINANCIAL ASSETS		
Cash at bank - Term deposit	540,000	480,000
	540,000	480,000

Included in the above is dredging funds of $480,000 (2010: $420,000).

NOTE 7 OTHER ASSETS		
Current		
Prepayments:		
- General	1,704	2,220
	1,704	2,220

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2011

NOTE 8 PROPERTY, PLANT, AND EQUIPMENT	2011 $	2010 $
Marina, at cost	4,605,598	4,343,953
Less accumulated depreciation	(2,285,608)	(2,142,202)
	2,319,990	2,201,751
Building and improvements, at cost	56,553	56,553
Less accumulated depreciation	(20,458)	(16,454)
	36,095	40,099
Ground improvements, at cost	355,802	355,802
Less accumulated depreciation	(65,783)	(54,801)
	290,019	301,001
Furniture, plant and equipment, at cost	787,572	787,572
Less accumulated depreciation	(621,951)	(579,800)
	165,621	207,772
	2,811,725	2,750,623

Movements in Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

2011	Marina $	Land and Ground Improve-ments $	Buildings $	Plant and Equipment $	Total $
Written down value at the beginning of the year	2,201,751	301,001	40,099	207,772	2,750,623
Additions	261,645	-	-	-	261,645
Depreciation Expense	(143,406)	(10,982)	(4,004)	(42,151)	(200,543)
Written down value at the end of the year	2,319,990	290,019	36,095	165,621	2,811,725

2010	Marina $	Land and Ground Improve-ments $	Buildings $	Plant and Equipment $	Total $
Written down value at the beginning of the year	2,302,396	311,179	43,473	247,687	2,904,735
Additions	21,000	-	-	10,748	31,748
Depreciation Expense	(121,645)	(10,178)	(3,374)	(50,663)	(185,860)
year	2,201,751	301,001	40,099	207,772	2,750,623

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL **2011**

NOTE 9 TAX ASSETS	2011 $	2010 $
Current tax assets	4,418	13,253
Deferred tax assets	30,865	43,824
The balance comprises temporary differences attributable to:		
- Doubtful debts	2,100	2,100
- Carry forward losses	22,379	-
- Other provisions and accruals	5,785	32,451
- Other temporary differences	601	1,202
	30,865	35,753

The movements in deferred tax assets reconciles as follows:

2011	Doubtful debts $	Tax losses $	Other provisions and accruals $	Other temporary differences $	Total $
Opening balance 1 May 2010	2,100	-	32,451	1,202	35,753
Charged/credited to the statement of comprehensive income	-	22,379	(26,666)	(601)	(4,888)
Closing balance at 30 April 2011	2,100	22,379	5,785	601	30,865

2010	Doubtful debts $	Employee benefits $	Other provisions and accruals $	Other temporary differences $	Total $
Opening balance 1 May 2009	3,900	30,354	36,559	1,804	72,617
Charged/credited to the statement of comprehensive income	(1,800)	(30,354)	(4,108)	(602)	(36,864)
Closing balance at 30 April 2010	2,100	-	32,451	1,202	35,753

NOTE 10 TRADE AND OTHER PAYABLES	2011 $	2010 $
Current		
Trade and member creditors	853,258	751,798
Other creditors	101,105	186,091
	954,363	937,889

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL **2011**

NOTE 11 TAX LIABILITIES	**2011** **$**	**2010** **$**
Non-Current		
Deferred tax liabilities	529,320	575,455
	529,320	575,455
The balance comprises temporary differences attributable to:		
- Depreciation	529,300	575,455
- Prepayments	-	-
	529,300	575,455

The movements in deferred tax liabilities reconciles as follows:

2011	**Depreciation**	**Pre-payments**	**Total**
Opening balance 1 May 2010	575,455	-	575,455
Charged/credited to the statement of comprehensive income	(46,155)	-	(46,155)
Closing balance at 30 April 2011	529,300	-	529,300

2010	**Depreciation**	**Pre-payments**	**Total**
Opening balance 1 May 2009	607,441	187	607,628
Charged/credited to the statement of comprehensive income	(31,986)	(187)	(32,173)
Closing balance at 30 April 2010	575,455	-	575,455

NOTE 12 OTHER LIABILITIES	**2011** **$**	**2010** **$**
Current		
Members paid in advance	799,660	710,600
Dredging Trust	740,000	420,000
	1,539,660	1,130,600

NOTE 13 CASH FLOW INFORMATION

(a) Reconciliation of net cash from operating activities to profit(loss) after income tax

Net loss after income tax	(142,760)	(9,439)
Adjustment for non cash items		
Depreciation	200,543	185,860
Adjustment for changes in assets and liabilities		
Decrease / (increase) in:		
Accounts receivable	(66,675)	5,930
Other receivables	(26,669)	(8,916)
Prepayments	516	136,343
Deferred tax assets	12,960	28,793
Increase/(decrease) in:		
Accounts payable	65,619	4,878
Fees and levies in advance	409,060	102,244
Current income tax liability	8,835	(16,582)
Deferred tax liability	(46,135)	(32,173)
Provisions	-	(101,181)
Net cash from operating activities	415,294	295,757

(b) For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and bank deposits at call net of bank overdrafts. Cash and cash equivalents at the end of the year as shown in the statement of cash flows are reconciled to the related items in the accounts as follows:

Cash and cash equivalents (Note 4)	45,316	31,132
Cash at bank - Dredging Trust (Note 6)	540,000	480,000
	585,316	511,132

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL **2011**

NOTE 14 CAPITAL LEASE COMMITMENTS	2011 $	2010 $
Operating Lease Commitments Payable		
Not later than one year	339,874	335,883
Later than one year but not later than five years	1,359,495	1,343,533
Later than five years	4,383,905	4,668,318
	6,083,274	6,347,734

The marina is located in an area which is subject to a lease from the Department of Transport (previously the Port of Brisbane Corporation). The lease, which commenced 19 March 1999, has an expiration date of 31 December 2028.

NOTE 15 INCORPORATION

The company is incorporated under the Corporations Act 2001 as a company limited by guarantee and not having a share capital. Under clause (vi) of the Memorandum of Association every person who is a member or within one year after ceasing to be a member, is liable to contribute to the assets of the company in the event of a winding up to an amount not exceeding $10. At 30 April 2011, the company had 400 members (2010: 397).

NOTE 16 - FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, loans to related parties and bank loans.

The main purpose of non-derivative financial instruments is to raise finance for company operations. The company does not have any derivative instruments at 30 April 2011.

Significant accounting policies

Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis for measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

Financial Risk Management

The main risks the company is exposed to through its financial assets and liabilities are interest rate risk, liquidity risk and credit risk. The company's risk management program focuses on the unpredictability of the financial markets and seeks to minimise the potential adverse effects of the financial performance of the company, by way of various measures detailed below.

Senior management analyse interest rate exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

Risk management is carried out by the board of directors and key management personnel.

There have been no changes to the financial risk management strategies during the year.

NOTE 17 - FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market Risk

Interest rate risk
The company's interest rate risk arises from funds on deposit with banks and the lending of funds to its parent entity to finance the constuction of capital assets. The loans advanced at variable rates expose the company to cash flow interest rate risk.

Cash flow sensitivity analysis for variable rate instruments
The sensitivity analyses have been determined based on the exposure of the company to interest rates for non-derivative financial instruments at the reporting date at the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 0.5% increase or decrease is used when reporting interest rates internally to key management personnel and represents management's assessment of the possible change in interest rates.

At 30 April 2011, the effect on the company's pre-tax profit and retained profits if interest rates had increased / decreased by 0.5% from the period-end rates with all other variables held constant would be immaterial.

There has been no change to the company's exposure to interest rate risk or the manner in which it manages and measures the risk.

Price risk
The company is not exposed to any material commodity price risk.

Foreign currency risk
The company does not have any exposures to foreign currencies at the reporting date.

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The company enters into legally binding contracts and management monitors the progress of these contracts in accordance with contract values, as a means of mitigating the risk from financial loss.

The company does not have any significant credit risk exposure to any single counterparty of any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the company's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The ageing of the company's trade receivables at the reporting date was:

	2011		2010	
	Gross	Impairment	Gross	Impairment
	$	$	$	$
Not past due (current)	579,395	(7,000)	530,054	(5,000)
Not past due 0-30 days(30 day ageing)	13,450		2,036	(2,000)
Past due 31 - 60 days (60 day ageing)	3,055	-	-	
Past due 61 - 90 days (90 days + ageing)	697	-	-	-
Past due more than 90 days (120 days + ageing)	2,168			
	598,765	(7,000)	532,090	(7,000)

Based on historic default rates, the company believes that no further impairment allowance is necessary in respect of receivables not past due or past due and not impaired as indicated above. Past due receivables are individually analysed and an impairment provision established as necessary.

The movement in the provision for impairment of receivables in respect of trade receivables of the company during the year was as follows:

	2011	2010
	$	$
Balance at 1 May	7,000	13,000
Impairment loss recognised	-	-
Receivables written off	-	(6,000)
Balance at 30 April	7,000	7,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL **2011**

NOTE 17 - FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

Ultimate responsibility for liquidity risk rests with the board of directors, who have an appropriate liquidity risk management framework for the management of the chief and company's short, medium and long-term funding and liquidity requirements.

The company manages liquidity risk by monitoring forecast and actual cash flows and enter into purchases and contracts in accordance with appropriate expenditure approval authority policies.

The company's only financial liabilities are trade creditors which are expected to be settled within 30 days under normal trade terms.

(d) 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:

2011	Weighted Average Effective Rate	Floating Interest Rate	Non-Interest Bearing	Total
	%	$	$	$
Financial Assets				
Cash at bank	0.0%	45,316	-	45,316
Short term deposits	5.44%	540,000	-	540,000
Trade and other receivables		-	627,350	627,350
Loans to related parties	6.0%	1,021,485	1,753,799	2,775,284
Total Financial Assets		1,606,801	2,381,149	3,987,950
Financial Liabilities				
Trade and other payables		-	954,363	954,363
Total Financial Liabilities		-	954,363	954,363

2010	Weighted Average Effective Rate	Floating Interest Rate	Non-Interest Bearing	Total
	%	$	$	$
Financial Assets				
Cash at bank	2.2%	31,132	-	31,132
Short term deposits	5.98%	480,000	-	480,000
Trade and other receivables		-	583,152	583,152
Loans to related parties	6.0%	1,021,485	1,674,334	2,695,819
Total Financial Assets		1,532,617	2,257,486	3,790,103
Financial Liabilities				
Trade and other payables		-	937,889	937,889
Total Financial Liabilities		-	937,889	937,889

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL **2011**

NOTE 18 RELATED PARTY TRANSACTIONS

(a) Directors' Names

The names of directors who have held office during the financial year are listed in the Directors' Report.

(b) Directors' Remuneration and Retirement Benefits

The directors' received no remuneration or retirement benefits.

(c) Transactions with Directors' and Director Related Entities

Details of the director's ownership of berth's are included in the Director's report. Transactions entered into with the directors are at arm's length and in accordance with the normal trading terms of the company.

Some of the directors of the company are also directors of Royal Queensland Yacht Squadron Limited which has borrowed moneys from the company. The details of these loans are set out in Note 5.

The following transactions were entered into during the year with Royal Queensland Yacht Squadron Limited ("RQYS"):

	2011 $	2010 $
Recovery from RQYS Marina of accounting and other services provided by RQYS	-	20,004
Recovery from RQYS Marina of cost of wages provided by RQYS	205,906	57,768
Loan receivable from Royal Queensland Yacht Squadron as per note 5	1,388,058	827,546

(d) Transactions with other related parties

Royal Queensland Yacht Squadron Limited, the ultimate parent, is the sole beneficiary of the RQYS New Marina Trust. The following transactions were entered into during the year with the RQYS New Marina Trust:

	2011	2010
Interest income	51,214	-
Marina Equipment Licence Usage fees received	42,012	44,292
Loan receivable from RQYS New Marina Trust as per note 5	1,387,226	1,868,273

NOTE 19 NET FAIR VALUE

The net fair value of cash, trade receivables, investment and trade payable approximate their carrying values.

NOTE 20 PRIOR PERIOD ADJUSTMENT

At the year ended 30 April 2010, the related party loan made to RQYS New Marina Trust was classified as a current receivable in the company's accounts, however in the accounts of RQYS Marina Trust the same loan payable was recorded as a non-current payable. As a result the prior figures have been adjusted so as to ensure the disclosure and treatment of the related party loans is consistent between the entities.

Restatement - 30 April 2010	**2010** **$**	**Adjustment** **$**	**Restated** **$**
Trade and other receivables	3,278,971	1,868,273	1,410,698
Total Current Assets	3,805,576	1,868,273	1,937,303
Trade and other receivables	-	1,868,273	1,868,273
Total Non-Current Assets	2,794,447	1,868,273	4,662,720
Total Assets	6,600,023	-	6,600,023

Restatement - 1 May 2009	**2009** **$**	**Adjustment** **$**	**Restated** **$**
Trade and other receivables	3,041,499	1,631,449	1,410,050
Total Current Assets	3,645,904	1,631,449	2,014,455
Trade and other receivables	-	1,631,449	1,631,449
Total Non-Current Assets	2,977,352	1,631,449	4,608,801
Total Assets	6,623,256	-	6,623,256

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL **2011**

NOTE 21 CONTINGENT LIABILITIES

There are currently no contingent liabilities that require disclosure in the financial report.

NOTE 22 AFTER BALANCE DATE EVENTS

No matters have arisen since the balance date, which will have a material impact on the financial statements and which requires disclosure.

NOTE 23 CONTROLLING ENTITY

The ultimate holding company is Royal Queensland Yacht Squadron Limited.

NOTE 24 COMPANY DETAILS

RQYS Marina Limited was incorporated in Queensland, Australia and is of Australian domicile. The registered office is situated at 578 Royal Esplanade, Manly QLD 4179.

RQYS MARINA LIMITED
ABN 23 010 217 991

DIRECTOR'S DECLARATION

FOR THE YEAR ENDED 30 APRIL **2011**

The directors declare that:

(a) The financial statements and notes set out on pages 51 to 67 are in accordance with the *Corporations Act 2001;* and:

(i) comply with Accounting Standards and other mandatory professional reporting requirements; and

(ii) give a true and fair view of the company's financial position as at 30 April 2011 and its performance as represented by the results of its operations and its cash flows, for the year ended on that date; and

(b) 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; and

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

W G Kirby	C R McCart
Chairman	Director
Dated at Brisbane, 14 June 2010	Dated at Brisbane, 14 June 2010

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 APRIL **2011**

To the members of RQYS Marina Limited

Report on the Financial Report

We have audited the accompanying financial report of RQYS Marina Limited, which comprises the statements of financial position as at 30 April 2011, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view 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. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of RQYS Marina Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of RQYS Marina Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the company's financial position as at 30 April 2011 and of their performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Crowe Horwath Brisbane

B.D. Worrall

Brendan Worrall
Principal

Signed at Brisbane, 14 June 2011

Royal Queensland Yacht Squadron Limited
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Classic Hits 4KQ
Rockhampton City Council
Robin Spencer Architects
Rosslyn Bay Inn
SeAirLand
TMQ International Pty Ltd
Totally Workwear

Royal Queensland Yacht Squadron Limited
Commodores

1885 - 1887	Sir Thomas McIlwraith, K.C.M.G, M.L.A.
1887 - 1890	The Hon. E B Forrest, M.L.C., M.L.A.
1890 - 1892	G Markwell
1892 - 1893	R P Earle
1893 - 1984	R H Lawson
1894 - 1895	J G Vidgen
1895 - 1897	J Clark
1897 - 1898	W J Weatherill
1898 - 1900	W A Douglass
1900 - 1902	J Clark
1902 - 1903	W A Douglas
1903 - 1919	T Welsby
1919 - 1921	W A Douglas
1921 - 1922	D MacTaggart
1922 - 1923	J Clark
1923 - 1925	J Love
1925 - 1927	W A Douglas
1927 - 1928	A L M Wilson
1928 - 1929	V Campbell
1929 - 1931	T L Jones
1931 - 1933	Dr C Croll
1933 - 1935	E Sparkes
1935 - 1936	T L Jones
1936 - 1938	A S Huybers
1938 - 1939	J R Figgis
1939 - 1946	F A Bruce
1946 - 1948	J Kelly
1948 - 1951	S N Gow
1951 - 1953	J H Robinson
1953 - 1955	T M Foggitt, D.S.C.
1955 - 1957	S N Wood
1957 - 1958	J H Robinson, M.B.E.
1958 - 1961	W E Whatmore
1961 - 1964	G Cavill
1964 - 1966	E T Early
1966 - 1968	N G Lockyer
1968 - 1971	K G N Kibble
1971 - 1973	J G M Tyquin
1973 - 1976	J Hattrick
1976 - 1979	D Bowly
1979 - 1981	N S Girdis, C.B.E.
1981 - 1982	A J Love
1982 - 1984	W J Thompson
1984 - 1986	J E Harrison, A.M.
1986 - 1988	W Bishop
1988 - 1990	G J Sneesby
1990 - 1992	R E Crooke
1992 - 1994	J A Ferguson
1994 - 1996	B J Phillips
1996 - 1998	S H R Morris
1998 - 2000	R H Seymour
2000 - 2002	D R Land
2002 - 2004	J E Miall
2004 - 2006	W G Kirby
2006 - 2008	K A Miller
2008 - 2009	K J Anderson
2009 - 2011	C R McCart