

Triathlon Australia Limited

ABN 67 007 356 907

Financial Statements

For the Year Ended 30 June 2011

Triathlon Australia Limited

ABN 67 007 356 907

For the Year Ended 30 June 2011

CONTENTS

	<u>Page</u>
Financial Statements	
Independent Audit Report	2
Directors' Report	3
Directors' Declaration	7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Cash Flow Statement	11
Notes to the Financial Statements	12
Auditors' Independence Declaration under Section 307C of the Corporations Act 2001	37

Triathlon Australia Limited

ABN 67 007 356 907

Independent Audit Report to the members of Triathlon Australia Limited

Report on the Financial Report

We have audited the accompanying financial report of Triathlon Australia Limited, (the group) which comprises the balance sheet as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the director's declaration of the consolidated entity comprising Triathlon Australia Limited and the entity 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 group are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporation Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report resulting from our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the group'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. Our audit does not involve an analysis of the prudence of business decisions made by directors and management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Triathlon Australia Limited

ABN 67 007 356 907

Independent Audit Report to the members of Triathlon Australia Limited

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*, provided to the directors of Triathlon Australia Limited, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion, the financial report of Triathlon Australia Limited is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2011 and of their performance for the year ended on that date; and
- b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.



.....
Greg Thompson
Auditor
HURSTVILLE

Date: 28 September 2011

Triathlon Australia Limited

ABN 67 007 356 907

Directors' Report

30 June 2011

Your directors present their report on the Company and its controlled entity for the financial year ended 30 June 2011.

1. Principal Activities

The principal activities of the Group during the financial year were in accordance with the objects of the Company as outlined in the constitution which are:

- a. to be the national governing body for Triathlon and be recognised as such by the Australian Olympic Committee, Australian Commonwealth Games Committee, the ITU and the Australian Government;
- b. become and remain the only Australian affiliate of the ITU or its successor or assign, and represent and promote the interests of the members to the ITU;
- c. unite the STTAs, Affiliated Clubs and Individual Members;
- d. encourage, administer, promote, advance and manage Triathlon in Australia through competition and commercial means;
- e. ensure that Triathlon in Australia is carried on in a manner, which secures and enhances the safety of participants, officials, spectators and the public and which allow the sports to be competitive and fair;
- f. adopt, formulate, issue, interpret, implement and amend from time to time by-laws, rules and such other regulations as are necessary for the control and conduct of Triathlon in Australia;
- g. develop, manage and govern Triathlon in Australia in accordance with and having regard to the rules and regulations of the Company;
- h. arrange for national championships and the selection of national teams and training squads;
- i. determine, arrange and publish an annual Australian Triathlon calendar of events;
- j. pursue through itself or other such entity commercial arrangements, including sponsorship and marketing opportunities, as are appropriate to further the Objects;
- k. formulate or adopt and implement appropriate policies, including policies in relation to sexual harassment, equal opportunity, equity, drugs in sport, health, safety, infectious diseases and such other matters as arise from time to time as issues to be addressed in Triathlon;
- l. do all that is reasonably necessary to enable these Objects to be achieved and to enable the Members to receive the benefits which these Objects are intended to achieve;
- m. co-operate or join with or support any association, organisation, society, individual whose activities or purposes are similar to those of the Company or which advance Triathlon in Australia;
- n. have regard to the public interest in its operations; and undertake and or do all such things or activities as are necessary, incidental or conducive to the advancement of these Objects.

Triathlon Australia Limited

ABN 67 007 356 907

Directors' Report

30 June 2011

2. Operational Review

a Financial Operating Results

The consolidated surplus of the Group after providing for income tax and eliminating minority equity interests amounted to \$391,331.

b Dividends paid or declared

In accordance with the Constitution of the Company the income and property of the Company must be applied solely towards the promotion of the Objects.

No portion of the income or property of the Company may be paid or transferred, directly or indirectly by way of dividend, bonus or otherwise to any Member,

No remuneration or other benefit in money or money's worth may be paid by the Company to any Member who holds any office of the Company

c Funding of operations

The Group has maintained its activities in the furtherance of its objectives through volunteer member resources, funding grants from government agencies, sponsorship and membership levies.

The Group has also continued to undertake a whole of sport insurance policy.

3. Other items

a Significant Changes in State of Affairs

No significant changes in the Group's state of affairs occurred during the financial year.

b After balance day events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

c Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out at page 37.

d Rounding of amounts

The Group is an entity to which ASIC Class order 98/100 applies and, accordingly, amounts in the financial statements and directors' report have been rounded to the nearest dollar.

Triathlon Australia Limited

ABN 67 007 356 907

Directors' Report

30 June 2011

e Future developments

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

f Environmental Issues

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory

4. Director and Company Secretary Information

a Information on Directors

The names of the Directors in office at any time during, or since the end of the year are:

Name	Qualifications	Elected/Appointed	First elected	Retired
Anthony Beven	Solicitor	Elected 9 October 2010 <i>(two year term)</i>	Elected October 2000	
David Ferrier	Chartered Accountant	Elected 14 November 2009 <i>(two year term)</i>		
Michelle Gallen	Solicitor	Elected 14 November 2009 <i>(two year term)</i>		
Peter Hedge (President)	Chartered Accountant	Elected 9 October 2010 <i>(two year term)</i>	Elected 14 November 2009	
Murray Hilder	Engineer	Elected 14 November 2009 <i>(two year term)</i>		
Cassandra Erbs	Marketing Director	Elected 9 October 2010 <i>(two year term)</i>		
Miles Stewart	Leasing Manager	Appointed 6 April 2011 <i>(term until next AGM)</i>		
Jacqui Kenny	Specialist Account Manager	Appointed 6 April 2011 <i>(term until next AGM)</i>		
Tony Newham	Strategic Planner		Elected November 2008	Retired 9 October 2010

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

Triathlon Australia Limited

ABN 67 007 356 907

Directors' Report

30 June 2011

b Meetings of Directors

During the financial year, 19 meetings of directors (excluding committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Eligible to attend	Number attended
Anthony Beven	19	14
David Ferrier	19	16
Michelle Gallen	19	13
Peter Hedge	19	18
Murray Hilder	19	15
Cassandra Erbs	16	15
Miles Stewart	6	4
Jacqui Kenny	11	7
Tony Newham	3	2

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Group.

Company Secretary

The following person held the position of Company Secretary at the end of the financial year:

Anne Gripper, Chief Executive Officer, Triathlon Australia

5. Options

a No options granted or outstanding

No options over issued shares or interests in the Group or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

6. Proceedings on Behalf of Company

a No Leave or proceedings

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

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

Triathlon Australia Limited

ABN 67 007 356 907

Directors' Report

30 June 2011

7. Sign off details

Signed in accordance with a resolution of the Board of Directors:

A handwritten signature in black ink, appearing to read 'P. Hedge', with a stylized flourish at the end.

Peter Hedge
President
Triathlon Australia Limited

28 September 2011

Triathlon Australia Limited

ABN 67 007 356 907

Directors' Declaration

The directors of the Group declare that:

1. The financial statements and notes, as set out on pages 8 to 36, are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on that date of the Group and consolidated group.
2. In the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable as a consequence of continued support provided by the Australian Sports Commission.

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



Peter Hedge
President
Triathlon Australia Limited

28 September 2011

Triathlon Australia Limited

ABN 67 007 356 907

Statement of Comprehensive Income

For the Year Ended 30 June 2011

	Note	Consolidated		Parent	
		2011 \$	2010 \$	2011 \$	2010 \$
Revenue	2	2,707,909	4,433,311	2,707,909	4,026,099
Sydney World Cup Funding		2,578,892	1,378,256	2,578,892	1,378,256
Employee benefits expense		(439,231)	(681,235)	(439,231)	(674,352)
Depreciation of plant and equipment	3	(24,103)	(55,238)	(24,103)	(23,934)
Rent	3	(38,860)	(72,981)	(38,860)	(72,981)
Competition expenses		(66,685)	(1,879,778)	(66,685)	(1,242,949)
Insurance expenses		(354,636)	(341,393)	(354,636)	(341,393)
Travel and accommodation expenses		(258,948)	(490,029)	(258,948)	(490,029)
Elite Athlete Services		(929,117)	(659,134)	(929,117)	(659,134)
Sydney World cup expenses		(2,578,892)	(1,378,256)	(2,578,892)	(1,378,256)
Impairment expense		-	-	138	(285,137)
Sport development		(43,708)	(24,198)	(43,708)	(24,198)
Other expenses		(161,300)	(150,475)	(161,438)	(133,142)
Profit before income tax		391,321	78,850	391,321	78,850
Profit attributable to members		391,321	78,850	391,321	78,850
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		391,321	78,850	391,321	78,850
Total comprehensive income for the year attributable to members		391,321	78,850	391,321	78,850

Triathlon Australia Limited

ABN 67 007 356 907

Statement of Financial Position as at 30 June 2011

	Note	Consolidated		Parent	
		2011 \$	2010 \$	2011 \$	2010 \$
ASSETS					
Current assets					
Cash and cash equivalents	4	2,330,586	1,103,740	2,335,395	1,103,261
Trade and other receivables	5	64,314	97,801	59,503	94,421
Prepayments	6	8,114	29,006	8,114	29,006
Other current assets	7	(374)	58,608	(374)	58,608
Total current assets		2,402,640	1,289,155	2,402,639	1,285,296
Non-current assets					
Investments accounted for using the equity method		-	-	2	2
Property, plant and equipment	8	42,330	42,222	42,330	42,222
Intangible assets	9	-	4,923	-	4,923
Total non-current assets		42,330	47,145	42,332	47,147
TOTAL ASSETS		2,444,970	1,336,300	2,444,970	1,332,443
LIABILITIES					
Current liabilities					
Trade and other payables	10	1,970,848	1,253,795	1,970,848	1,249,938
Short-term provisions	11	26,975	26,679	26,975	26,679
TOTAL LIABILITIES		1,997,823	1,280,474	1,997,823	1,276,617
NET ASSETS		447,147	55,826	447,147	55,826
EQUITY					
Distributable reserve		447,147	55,826	447,147	55,826
TOTAL EQUITY		447,147	55,826	447,147	55,826

Triathlon Australia Limited

ABN 67 007 356 907

Statement of Changes in Equity

For the Year Ended 30 June 2011

	2011	Parent Retained Earnings \$	Total \$
Balance at 1 July 2010		55,826	55,826
Profit attributable to members		391,321	391,321
Balance at 30 June 2011		447,147	447,147

	2010	Parent Retained Earnings \$	Total \$
Balance at 1 July 2009		(23,024)	(23,024)
Profit attributable to members		78,850	78,850
Balance at 30 June 2010		55,826	55,826

	2011	Consolidated Retained Earnings \$	Total \$
Balance at 1 July 2010		55,826	55,826
Profit attributable to members		391,321	391,321
Balance at 30 June 2011		447,147	447,147

	2010	Consolidated Retained Earnings \$	Total \$
Balance at 1 July 2009		(23,024)	(23,024)
Profit attributable to members		78,850	78,850
Balance at 30 June 2010		55,826	55,826

Triathlon Australia Limited

ABN 67 007 356 907

Cash Flow Statement

For the Year Ended 30 June 2011

	Note	Consolidated		Parent	
		2011 \$	2010 \$	2011 \$	2010 \$
Cash from operating activities:					
Receipts from customers		5,657,626	4,647,656	5,659,194	4,181,607
Payments to suppliers and employees		(4,434,204)	(4,944,795)	(4,430,484)	(4,526,702)
Interest received		22,712	29,420	22,712	29,382
Net cash provided by (used in) operating activities	16	1,246,134	(267,719)	1,251,422	(315,713)
Cash flows from investing activities:					
Acquisition of property, plant and equipment		(19,288)	(153,012)	(19,288)	(87,132)
Receipts on sale of plant		-	-	-	-
Acquisition of intangible assets		-	(6,784)	-	(6,784)
Net cash provided by (used in) investing activities		(19,288)	(159,796)	(19,288)	(93,916)
Net increase (decreases) in cash held		1,226,846	(427,515)	1,232,134	(409,629)
Cash at beginning of financial year		1,103,740	1,531,255	1,103,261	1,512,890
Cash at end of financial year	4	2,330,586	1,103,740	2,335,395	1,103,261

Triathlon Australia Limited

ABN 67 007 356 907

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Statement of Significant Accounting Policies

(a) General information

The financial statements are general purpose financial statements that have been prepared in accordance with Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001*.

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

The financial statements cover the economic entity of Triathlon Australia Limited as an individual parent entity and Triathlon Australia Limited and the controlled entity as an economic entity. Triathlon Australia Limited is a Group limited by shares, incorporated and domiciled in Australia.

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

(b) Basis of Preparation

Reporting Basis and Conventions

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

(c) Comparative Figures

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

(d) Inventories

Inventories are measured at the lower of cost and current replacement cost. Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition.

(e) Property, Plant and Equipment

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

Triathlon Australia Limited

ABN 67 007 356 907

Notes to the Financial Statements

For the Year Ended 30 June 2011

Plant and equipment

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

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

Depreciation

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	10 – 40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Asset classes 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.

(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) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Triathlon Australia Limited

ABN 67 007 356 907

Notes to the Financial Statements

For the Year Ended 30 June 2011

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

(h) Financial Instruments

Initial recognition and measurement

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

Financial instruments are initially measured at fair value plus transactions 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. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

Classification and subsequent measurement

Finance instruments are subsequently measured at either 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) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short term profit taking, or where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) 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, which are classified as non-current assets.

Triathlon Australia Limited

ABN 67 007 356 907

Notes to the Financial Statements

For the Year Ended 30 June 2011

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Held to maturity investments are included in non-current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. If during the period the company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investment would be tainted and reclassified as available-for-sale.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period.

(v) Financial liabilities

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

Fair value

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

Impairment

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

(i) Provisions

Provisions are recognised when the 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. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(j) Contributions

Triathlon Australia Limited receives non-reciprocal contributions from the government and other parties for no or a nominal value. These contributions are recognised at the fair value on the date of acquisition upon which time an asset is taken up in the balance sheet and revenue in the income statement.

(k) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Triathlon Australia Limited

ABN 67 007 356 907

Notes to the Financial Statements

For the Year Ended 30 June 2011

Grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

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

(l) Intangibles

Software

Software is recorded at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and two years. It is assessed annually for impairment.

(m) Economic Dependence

Triathlon Australia Limited is dependent on the Australian Sports Commission for the majority of its revenue used to operate the entity. At the date of this report the Board of Directors has no reason to believe the Australian Sports Commission will not continue to support Triathlon Australia Limited.

(n) 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 Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

(o) Rounding of Amounts

The Group has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report and directors' report have been rounded off to the nearest \$1.

Triathlon Australia Limited

ABN 67 007 356 907

Notes to the Financial Statements

For the Year Ended 30 June 2011

(p) Impairment of Assets

At each reporting date, the 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.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an asset's class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

(q) Classification of leases in financial statements of lessees

Leases of fixed assets, where substantially all the benefits and risks 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, recording an asset and a liability equal to the present value of the minimum lease payments, including any residual values. Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. 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 of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

(r) Critical accounting estimates and judgments

The directors evaluate estimates and judgments 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 group.

Key Estimates

Impairment

The group assesses impairment at each reporting date by evaluation of conditions and events specific to the group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(s) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

Triathlon Australia Limited

ABN 67 007 356 907

Notes to the Financial Statements

For the Year Ended 30 June 2011

(t) Adoption of New and Revised Accounting Standards

During the current year the company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of Triathlon Australia Limited.

AASB 101: Presentation of Financial Statements

In September 2007 the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the company's financial statements.

Disclosure impact

Terminology changes — The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity — The revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income — The revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The company's financial statements now contain a statement of comprehensive income.

Other comprehensive income — The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expenses that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

(u) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The company has decided against early adoption of these standards. A discussion of those future requirements and their impact on the company follows:

- AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The company has not yet determined any potential impact on the financial statements.

The changes made to accounting requirements include:

Triathlon Australia Limited

ABN 67 007 356 907

Notes to the Financial Statements

For the Year Ended 30 June 2011

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
 - simplifying the requirements for embedded derivatives;
 - removing the tainting rules associated with held-to-maturity assets;
 - removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
 - allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
 - requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows.
- AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government-related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard. No changes are expected to materially affect the company.

- AASB 2009–4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009–5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the company.

- AASB 2009–8: Amendments to Australian Accounting Standards — Group Cash-settled Share-based Payment Transactions [AASB 2] (applicable for annual reporting periods commencing on or after 1 January 2010).

These amendments clarify the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments incorporate the requirements previously included in Interpretation 8 and Interpretation 11 and as a consequence these two Interpretations are superseded by the amendments. These amendments are not expected to impact the company.

- AASB 2009–9: Amendments to Australian Accounting Standards — Additional Exemptions for First-time Adopters [AASB 1] (applicable for annual reporting periods commencing on or after 1 January 2010).

These amendments specify requirements for entities using the full cost method in place of retrospective application of Australian Accounting Standards for oil and gas assets and exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with Interpretation 4 when the application of their previous accounting policies would have given the same outcome. These amendments are not expected to impact the company.

Triathlon Australia Limited

ABN 67 007 356 907

Notes to the Financial Statements

For the Year Ended 30 June 2011

- AASB 2009–10: Amendments to Australian Accounting Standards — Classification of Rights Issues [AASB 132] (applicable for annual reporting periods commencing on or after 1 February 2010).

The amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments. The amendments are not expected to impact the company.

- AASB 2009–12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the company.

- AASB 2009–13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010).

This Standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This Interpretation is not expected to impact the company.

- AASB 2009–14: Amendments to Australian Interpretation — Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

- AASB Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods commencing from 1 July 2010).

This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the company.

Triathlon Australia Limited

ABN 67 007 356 907

Notes to the Financial Statements

For the Year Ended 30 June 2011

2 Revenue

	Consolidated		Parent	
	2011 \$	2010 \$	2011 \$	2010 \$
Sponsorship	-	40,500	-	-
Affiliation & Insurance fees	1,190,970	1,060,417	1,190,970	1,060,417
Interest received	22,712	29,420	22,712	29,382
Race entry fees	-	226,271	-	-
Athlete levies	99,261	810,340	99,261	832,340
Uniform sales	1,434	661,547	1,434	661,547
Other	30,000	7,589	30,000	12,186
Write back of prior period income	-	(11,258)	-	(11,258)
	1,344,377	2,824,826	1,344,377	2,562,614
Funding received and expended on elite program and funded events	3,942,454	2,986,741	3,942,454	2,841,741
Total	5,266,801	5,811,567	5,266,801	5,404,354

3 Profit from Ordinary Activities

(a) Expenses

Depreciation of plant and equipment	19,180	45,098	19,180	21,176
Amortisation of development costs	4,923	10,140	4,923	2,758
Rent	38,860	72,981	38,860	72,981

4 Cash and Cash Equivalents

Cash on hand	2	2	-	-
Cash at bank	2,330,584	1,103,738	2,335,395	1,103,261
	2,330,586	1,103,740	2,335,395	1,103,261

Triathlon Australia Limited

ABN 67 007 356 907

Notes to the Financial Statements

For the Year Ended 30 June 2011

Reconciliation of Cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	2,330,586	1,103,740	2,335,395	1,103,261
	2,330,586	1,103,740	2,335,395	1,103,261

5 Trade and Other Receivables

Current				
Trade receivables	80,523	108,010	72,697	82,536
Provision for impairment of receivables	(16,209)	(10,209)	(15,369)	(9,369)
Amounts receivable from related parties	-	-	650,825	670,041
Provision for impairment of related parties	-	-	(648,650)	(648,787)
	64,314	97,801	59,503	94,421

Credit Risk — Trade and Other Receivables

The company does not have any material credit risk exposure to any single receivable or group of receivables.

The following table details the company's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the company and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality, or have already been impaired.

Triathlon Australia Limited

ABN 67 007 356 907

Notes to the Financial Statements

For the Year Ended 30 June 2011

	Consolidated						Within initial trade terms
	Gross amount	Past due and impaired	Past due but not impaired (days overdue)				
	\$	\$	< 30	31–60	61–90	> 90	\$
			\$	\$	\$	\$	
2011							
Trade and term receivables	64,314	-	25,571	21,968	9,327	7,448	-
Other receivables	-	-	-	-	-	-	-
Total	64,314	-	25,571	21,968	9,327	7,448	-
2010							
Trade and term receivables	97,801	-	44,341	1,700	51,760	-	-
Other receivables	-	-	-	-	-	-	-
Total	97,801	-	44,341	1,700	51,760	-	-

Triathlon Australia Limited

ABN 67 007 356 907

Notes to the Financial Statements

For the Year Ended 30 June 2011

	Gross amount	Past due and impaired	Parent			Within initial trade terms	
			< 30	Past due but not impaired (days overdue)			
	\$	\$	\$	31–60	61–90	> 90	\$
				\$	\$	\$	
2011							
Trade and term receivables	57,328		25,570	21,968	9,327	463	-
Other receivables	2,175		2,175	-	-	-	-
Total	59,503		27,725	21,968	9,327	463	-
2010							
Trade and term receivables	73,167	-	44,341	700	28,126	-	-
Other receivables	21,254	-	21,254	-	-	-	-
Total	94,421	-	65,595	700	28,126	-	-

Triathlon Australia Limited

ABN 67 007 356 907

Notes to the Financial Statements

For the Year Ended 30 June 2011

6 Prepayments				
Prepayments	8,114	29,006	8,114	29,006
	<u>8,114</u>	<u>29,006</u>	<u>8,114</u>	<u>29,006</u>
7 Other Assets				
Current:				
Sundry debtors	(374)	58,608	(374)	58,608
	<u>(374)</u>	<u>58,608</u>	<u>(374)</u>	<u>58,608</u>
8 Property Plant and Equipment				
Plant and equipment at cost	100,237	80,949	100,237	80,949
Less accumulated depreciation	(57,907)	(38,727)	(57,907)	(38,727)
Total property, plant and equipment	<u>42,330</u>	<u>42,222</u>	<u>42,330</u>	<u>42,222</u>

(a) Movements in Carrying Amounts

Consolidated	Plant and Equipment \$	Total \$
Current Year		
Balance at the beginning of year	42,222	42,222
Additions	19,288	19,288
Depreciation	(19,180)	(19,180)
Disposals	-	-
Carrying amount at 30 June 2011	<u>42,330</u>	<u>42,330</u>
Prior Year		
Balance at the beginning of year	68,037	68,037
Additions	153,012	153,012
Depreciation	(45,098)	(45,098)
Disposals	(133,729)	(133,729)
Carrying amount at 30 June 2010	<u>42,222</u>	<u>42,222</u>

Triathlon Australia Limited

ABN 67 007 356 907

Notes to the Financial Statements

For the Year Ended 30 June 2011

Parent	Plant and Equipment	Total
	\$	\$
Current Year		
Balance at the beginning of year	42,222	42,222
Additions	19,288	19,288
Depreciation	(19,180)	(19,180)
Disposals		
Balance at 30 June 2011	42,330	42,330
Prior Year		
Balance at the beginning of year	44,115	44,115
Additions	87,132	87,132
Depreciation	(21,176)	(21,176)
Disposals	(67,849)	(67,849)
Balance at 30 June 2010	42,222	42,222

9 Intangible assets

(a) Carrying values

	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
Database Development - cost	11,340	11,340	11,340	11,340
Accumulated amortisation and impairment	(11,340)	(6,417)	(11,340)	(6,417)
Net carrying value	-	4,923	-	4,923
Total Intangibles		4,923		4,923

(b) Reconciliation

	Parent		
	Website Development	Database Development	Total
	\$	\$	\$
Year ended 30 June 2010			
Opening balance	834	3,207	4,041
Additions	-	6,784	6,784
Amortisation	(834)	(1,924)	(2,758)
Disposals	-	(3,144)	(3,144)
Balance at 30 June 2010	-	4,923	4,923

Triathlon Australia Limited

ABN 67 007 356 907

Notes to the Financial Statements

For the Year Ended 30 June 2011

9 Intangible assets continued

(b) Reconciliation (Cont)

	Parent		
	Website Development	Database Development	Total
	\$	\$	\$
Year ended 30 June 2011			
Opening balance	-	4,923	4,923
Additions			
Amortisation		(4,923)	(4,923)
Disposals	-		
Balance at 30 June 2011	-	-	-
	Consolidated		
	Website Development	Database Development	Total
	\$	\$	\$
Year ended 30 June 2010			
Opening balance	8,216	3,207	11,423
Additions	-	6,784	6,784
Amortisation	(8,216)	(1,924)	(10,140)
Disposals	-	(3,144)	(3,144)
Balance at 30 June 2010	-	4,923	4,923
Year ended 30 June 2011			
Opening balance	-	4,923	4,923
Additions		-	-
Amortisation		(4,923)	(4,923)
Disposals			
Balance at 30 June 2011	-	-	-

10 Trade and Other Payables

Trade payables	578,838	413,207	578,838	413,207
Unearned revenues	1,166,128	800,078	1,166,128	800,078
Sundry creditors and accrued expenses	223,600	37,510	223,600	33,653
GST payable / (receivable)	(218)	-	(218)	-
Other payables	2,500	3,000	2,500	3,000
	1,970,848	1,253,795	1,970,848	1,249,938

Triathlon Australia Limited

ABN 67 007 356 907

Notes to the Financial Statements

For the Year Ended 30 June 2011

	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
11 Provisions				
Current:				
Employee benefits	26,975	26,679	26,975	26,679
	<u>26,975</u>	<u>26,679</u>	<u>26,975</u>	<u>26,679</u>

12 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

13 Auditors' Remuneration

Remuneration of the auditor of the parent entity for:

- Auditing or reviewing the financial report

	14,300	11,170	14,300	11,170
--	--------	--------	--------	--------

14 Segment Reporting

The Group operates predominately in one business and geographical segment being administration of the sport of triathlon in Australia.

15 Capital and Leasing Commitments

(a) Operating Lease Commitments

Future operating lease rentals not provided for in the financial statements and payable:

Payable - minimum lease payments

- not later than 12 months

- between 12 months and 5 years

	-	-	-	-
	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Triathlon Australia Limited

ABN 67 007 356 907

Notes to the Financial Statements

For the Year Ended 30 June 2011

	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
16 Cash Flow Information				
(a) Reconciliation of Cashflow from Operations with Profit after Income Tax				
Profit after income tax	391,321	78,850	391,321	78,850
<u>Non cash flows</u>				
Depreciation and amortisation	24,103	55,238	24,103	23,934
Write down of Tri Aus Events Pty Ltd loan	-	-	(137)	285,137
<u>Changes in assets and liabilities</u>				
(Increase)/decrease in trade and other receivables	33,487	289,641	15,839	151,767
(Increase)/decrease in other assets	58,982	2,012	58,982	-
(Increase)/decrease in prepayments	20,892	669,355	20,892	667,366
Increase/(decrease) in trade and other payables	717,053	(1,376,984)	720,910	(1,368,117)
Increase/(decrease) in provisions	296	14,169	296	13,329
Increase/(decrease) in related company loans	-	-	19216	(167,979)
	1,246,134	(267,719)	1,251,422	(315,713)

17 Controlled Entities

The parent company holds the only two issued \$1 fully paid ordinary shares in a company called Tri Aus Events Pty Ltd. This company has been trading since the financial year ended 30 June 2005. Prior to and during the year ended 30 June 2010 this company operated triathlon events, an activity that ceased after the directors of Triathlon Australia Limited initiated a review of these events and resolved to cease provision of financial support for Tri Aus Events Pty Ltd. While the company did not trade in the financial year ended 30 June 2011 there were some transactions that occurred in finalisation of these arrangements.

Triathlon Australia Limited

ABN 67 007 356 907

Notes to the Financial Statements

For the Year Ended 30 June 2011

18 Financial Instruments

(a) Financial Risk Management

The entity's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

The entity does not have any derivative instruments at 30 June 2011.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		Consolidated		Parent	
	Note	2011	2010	2011	2010
		\$	\$	\$	\$
Financial Assets					
Cash and cash equivalents	4	2,330,586	1,103,740	2,335,395	1,103,261
Financial assets at fair value through profit or loss					
— Held for trading		-	-	-	-
Held-to-maturity investments					
— Government and fixed interest securities		-	-	-	-
Loans and receivables	5	64,314	97,801	59,503	94,421
Available-for-sale financial assets					
— Shares in listed corporations		-	-	-	-
		<u>2,394,900</u>	<u>1,201,541</u>	<u>2,394,898</u>	<u>1,197,682</u>
Financial Liabilities					
Financial liabilities at amortised cost					
— Trade and other payables	10	1,970,848	1,253,795	1,970,848	1,249,938
— Borrowings					
		<u>1,970,848</u>	<u>1,253,795</u>	<u>1,970,848</u>	<u>1,249,938</u>

Treasury Risk Management

A finance committee consisting of senior committee members meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

Financial Risk Exposures and Management

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

Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate debt. At 30 June 2011 there is no fixed rate debt.

Triathlon Australia Limited

ABN 67 007 356 907

Notes to the Financial Statements

For the Year Ended 30 June 2011

Foreign currency risk

The entity is not exposed to fluctuations in foreign currencies.

Liquidity risk

The entity manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Financial liability and financial asset maturity analysis

	Note	Consolidated				Total contractual cash flow	
		Within 1 Year		1 to 5 Years		2011	2010
		2011	2010	2011	2010		
		\$	\$	\$	\$	\$	\$
Financial liabilities due for payment							
Lease Liabilities		-	-	-	-	-	-
Trade and other payables (excluding estimated annual leave and deferred income)		578,838	450,717	-	-	578,838	450,717
Total expected outflows		578,838	450,717	-	-	578,838	450,717
Financial assets — cash flows realisable							
Cash and cash equivalents		2,330,586	1,103,740	-	-	2,330,586	1,103,740
Trade, term and loans receivables		63,940	156,409	-	-	63,940	156,409
Other investments		-	-	-	-	-	-
Total anticipated inflows		2,394,526	1,260,149	-	-	2,394,526	1,260,149
Net (outflow)/inflow on financial instruments		1,815,688	809,432	-	-	1,815,688	809,432

Triathlon Australia Limited

ABN 67 007 356 907

Notes to the Financial Statements

For the Year Ended 30 June 2011

	Note	Parent				Total contractual cash flow	
		Within 1 Year		1 to 5 Years		2011	2010
		2011	2010	2011	2010	\$	\$
		\$	\$	\$	\$	\$	\$
Financial liabilities due for payment							
Lease Liabilities		-	-	-	-	-	-
Trade and other payables (excluding estimated annual leave and deferred income)		578,838	446,860	-	-	578,838	446,860
Total expected outflows		578,838	446,860	-	-	578,838	446,860
Financial assets — cash flows realisable							
Cash and cash equivalents		2,335,395	1,103,261	-	-	2,335,395	1,103,261
Trade, term and loans receivables		59,129	153,029	-	-	59,129	153,029
Other investments		2	-	-	-	2	-
Total anticipated inflows		2,394,526	1,256,290	-	-	2,394,526	1,256,290
Net (outflow)/inflow on financial instruments		1,815,688	809,430	-	-	1,815,688	809,430

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the entity.

There are no material amounts of collateral held as security at 30 June 2011.

Credit risk is managed by the entity and reviewed regularly by the finance committee. It arises from exposures to customers as well as through deposits with financial institutions.

The entity monitors the credit risk by actively assessing the rating quality and liquidity of counterparties:

- Only banks and financial institutions with an 'A' rating are utilised.
- Only accredited fund managers linked to 'A' rated financial institutions are used.
- The credit standing of counterparties is reviewed monthly for liquidity and credit risk.

The trade receivables balances at 30 June 2011 and 30 June 2010 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

Price risk

The entity is not exposed to any material commodity price risk.

Triathlon Australia Limited

ABN 67 007 356 907

Notes to the Financial Statements

For the Year Ended 30 June 2011

18 Financial Instruments continued

(b) Financial Instruments Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non-interest Bearing		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
	%		\$	\$	\$	\$	\$	\$
Financial Assets:								
Cash and cash equivalents			2,330,586	1,103,740	-	-	2,330,586	1,103,740
Receivables			-	-	64,314	97,801	64,314	97,801
Total Financial Assets			2,330,586	1,103,740	64,314	97,801	2,394,900	1,201,541
Financial Liabilities:								
Trade and sundry payables			-	-	1,970,848	1,253,795	1,970,848	1,253,795
Total Financial Liabilities			-	-	1,970,848	1,253,795	1,970,848	1,253,795

Triathlon Australia Limited

ABN 67 007 356 907

Notes to the Financial Statements

For the Year Ended 30 June 2011

Trade and sundry payables are expected to be paid as follows:

Trade payables of \$578,838 are all payable in less than 3 months (2010: \$413,207).

Sundry payables of \$1,391,996 are all payable in less than 6 months (2010: \$840,588).

(c) Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying values. No financial assets or financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the consolidated group intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

Triathlon Australia Limited has no non-current borrowings.

Sensitivity Analysis

The entity performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates that there is an immaterial effect on current year results and equity which could result from a change in this risk, with the primary impact being on the quantum of interest earned from interest bearing investments. It is calculated that the impact on earnings and equity of an interest rate increase or decrease of 2% is \$93,223 (2010: \$44,150).

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

No sensitivity analysis has been performed for foreign exchange risk, as the entity is not exposed to fluctuations in foreign exchange.

Triathlon Australia Limited

ABN 67 007 356 907

Notes to the Financial Statements

For the Year Ended 30 June 2011

19 Capital Management

Management controls the capital of the entity to ensure that adequate cash flows are generated to fund its mentoring programs and that returns from investments are maximised. The finance committee ensures that the overall risk management strategy is in line with this objective.

The finance committee operates under policies approved by the board of directors. Risk management policies are approved and reviewed by the board on a regular basis. These include credit risk policies and future cash flow requirements.

The entity's capital consists of financial liabilities, supported by financial assets.

Management effectively manage the entity's capital by assessing the entity's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

There have been no changes to the strategy adopted by management to control the capital of the entity since previous year.

The gearing ratios for the years ended 30 June 2011 and 30 June 2010 are as follows:

	2011	2010
	\$	\$
Financial liabilities		
Trade and other payables	1,970,848	1,253,795
Total	1,970,848	1,253,795
Less cash and cash equivalents	2,330,586	1,103,740
Net debt	(359,738)	150,055
Total equity (reserves + retained earnings)	447,157	55,826
Gearing ratio	N/A	N/A

20 Key Management Personnel Compensation

	Short-term benefits \$	Post employment benefits \$	Total \$
2011			
Total compensation	116,208	10,459	126,667
2010			
Total compensation	106,428	6,892	113,320

Triathlon Australia Limited

ABN 67 007 356 907

Notes to the Financial Statements

For the Year Ended 30 June 2011

21 Company Details

Registered office

The registered office and principal place of business of the Group is:

Triathlon Australia Limited

Level 3

256 Coward Street

MASCOT NSW 2020

22 Members' Guarantee

The entity is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstandings and obligations of the entity. At 30 June 2011 the number of members was 9,735.

Triathlon Australia Limited

ABN 67 007 356 907

Auditors Independence Declaration under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, in relation to the audit of the financial year ended 30 June 2011, there have 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.

A handwritten signature in blue ink, appearing to read 'G. Thompson', is written over a faint, light blue grid background.

Greg Thompson
Auditor
HURSTVILLE

Date: 28 September 2011