



ROWING AUSTRALIA INC.
THE OLYMPIC BOAT FLEET TRUST
AUSTRALIAN INTERNATIONAL ROWING FOUNDATION

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2003

ROWING AUSTRALIA INC:

As expected Rowing Australia Inc. sustained a loss this year of \$74,273. The loss was less than previously anticipated due to the implementation of tighter financial controls in the second half of the financial year.

The detailed statements of profit & loss have been prepared differently this year to better inform Members of the actual performance by each business unit. The presentation is also consistent with the manner in which both the budget & quarterly management statements are presented. The results by business unit were:

	\$
Administration	(192,686)
Competition	1,891
Development	41,015
High Performance	75,507

The most significant impact on the results for this year was the lack of sponsorship income, which was down over \$130,000 and the unfavourable variance on the 2002 Senior A International Tour.

Gross Revenues increased slightly to \$4,190,861, however expenses increased by over \$250,000.

We ended the year in a very strong cash position with \$548,188 cash in the bank and retained profits of \$143,502. Our equity has been affected by the gift to the Olympic Boat Fleet Trust, which will be discussed later.

Administration:

The result for this unit is worse than anticipated due mainly to an unfavourable currency fluctuation in the UBS bank account of \$6,560 and the writing-off of bad debts of \$11,688.

Where appropriate I have reclassified expenses to better reflect their categorisation.

Accommodation, airfares & catering are all lower, however where applicable those amounts are represented in meeting expenses; accounting services are now included in wages; magazine expenses decreased significantly after its production was suspended; merchandise represents the writing off of all non-saleable items with the only stocks now held being coaching & development materials; recruitment costs represent the amounts paid in selecting our new CEO; wages now include the accountant's salary and the full level of the CEO's salary package, previously an amount was reflected in High Performance, but this is now covered within the management recovery. As previously mentioned the costs of attending the World Championships and FISA Congress will be disclosed separately.

Competition:

The result for this unit is as anticipated. An extraordinary expense of \$7,220 has been recognised being a refund to Rowing Queensland for over paid entry fees for the 2001 National Championships.

Development:

The result for this unit is as anticipated. This unit now records the trading activities of the sale of coaching and development material. Sales declined slightly in the later part of the year and the margin also dropped. Again, the writing-off of old and unsaleable stock was the cause of the decrease. Staff costs were also lower than last year due to the position being unfilled for varying times during the year.

High Performance:

The result for this unit is better than anticipated. Included in income are boat sales and further comments on boats will be made under the Olympic Boat Fleet Trust. The well reported unfavourable variance against budget in the 2002 International Competition costs represented all of the increase in expenses for the whole organisation last year. Significantly better and more appropriate controls have been put in place to ensure, as far as possible, these circumstances do not occur in the future.

OLYMPIC BOAT FLEET TRUST:

The most significant financial event this year for rowing was the gift by the Australian Olympic Committee of their boat fleet. The value of their gift was established as \$172,751.

The Board and Council resolved Rowing Australia would also gift our boat fleet to the Trust and our gift was established as \$179,696. During the 2003 year we purchased 12 new boats utilising the AOC gift and our own funds of \$144,196.

The total number of boats in the Trust is 17 with a value of \$352,447.

The boats are located in Europe and throughout Australia and will be made available to national teams and national team members for a leasing fee, set at approximately 12.5% of their value.

The Trust has reserves of \$352,396, which are separate and additional to the reserves of Rowing Australia.

AUSTRALIAN INTERNATIONAL ROWING FOUNDATION:

The Foundation continued to be dormant this year and derived interest income on its investments of just over \$29,000.

Peter Crawford
Director of Finance

November 2003