



Tamworth Regional Development Corporation

MAKING IT HAPPEN

Annual Report 2005-06



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Chairman's Review

It is with great pleasure that I present my report for 2005-06. The past year has been one of review and renewal and as a result of these efforts, I believe Tamworth Regional Development Corporation (TRDC) is now well positioned for the future.

Over the past 12 months, the Board undertook a review of the operations of TRDC and made some strategic choices about the organisation's future direction. Today's operating environment is very different to that when TRDC was first established in 1989 and it was therefore timely to reflect upon what now needs to be delivered and in what manner.

This review commenced in September 2005 with an independently facilitated workshop, the findings of which were:

- TRDC will prioritise its activities to develop and facilitate regional growth through the existing regional businesses and government departments in collaboration with regional communities.
- TRDC will formally recommend to Tamworth Regional Council (TRC) and its members a continuation of its independent tenure over the next three years. This arrangement is to be embodied in a Deed of Agreement between TRDC and TRC.
- TRDC will seek to improve its collaborative relationships with other regional development stakeholders with the view to improving the overall effectiveness of all programs.
- TRDC will assess and implement with the TRC the most effective method to collect, research and report on regional development and growth.
- TRDC will investigate all options in the employment of staff for its purposes including secondments, administrative arrangements and savings through the TRC.
- TRDC will pursue as a priority the recruitment of a head of the TRDC.

The most important change in strategic direction resulting from this analysis was the decision to focus TRDC's activities more specifically to assisting existing businesses, or those who have expressed interest in

establishing a business locally, to grow and prosper.

Thus, while TRDC has over time focused on bringing new businesses to town, its attention going forward will be on creating an environment whereby the vibrancy of the local business community will make the Tamworth region a highly attractive location to live and work. Therefore, while the overarching outcome, the economic development of the region, remains unchanged, the approach now needed has changed and requires different resources and methodology.

The Board subsequently undertook a recruitment exercise to find a new chief executive able to lead TRDC in the achievement of this new direction. In April 2006, the Board welcomed Jo Byrnes to the position of Executive Director. While originally born and raised in the region, Ms Byrnes has enjoyed a career in the Australian financial markets in Sydney and Melbourne and as a result brings a wealth of experience and skills combined with a long-standing personal commitment to our area.

Upon joining TRDC, Ms Byrnes commenced a program of meetings with the local business community and government departments and agencies. These discussions provided valuable feedback for input to the Board's next strategic planning workshop which was held in June 2006. From that discussion, the Board agreed four **strategic themes** for TRDC for 2006-09:

- Deliver client value.
- Leverage regional expertise.
- Improve operational efficiency.
- Deliver stakeholder value.

The Board also agreed four **business priorities**:

- The equine industry – to assess the opportunities and threats for the region in the wake of the completion of the Australian Equine and Livestock Centre and develop a strategic plan.
- The aviation industry – to assess the opportunities and threats for the region given

its natural asset (globally competitive flying conditions) and existing aviation industry cluster, and develop a strategic plan.

- Skills transfer – to facilitate the transfer of business management expertise, particularly in the area of staff attraction, retention, and development to assist businesses to meet the emerging challenges of the global skills shortage.
- Business transfers – to facilitate the transfer of existing businesses or franchise opportunities to new operators.

In 2005-06, the Board also entered into negotiations with TRC to agree a Deed of Agreement which clarifies the expectations of both organisations and assures TRDC of a three-year funding cycle. This agreement was formally signed in August 2006 and the Board and I take this opportunity to thank the Council for their ongoing support of TRDC.

In 2005-06, an operating surplus of \$81,492 was recorded, while the retained surplus was \$132,690 as at 30 June 2006. The principal reason for this was the absence of a chief executive for nine months of the financial year, though that position had been budgeted for. Therefore, from a financial perspective, the introspection in 2005-06 has contributed positively to the organisation's financial position and provides a sound platform for future development activities.

On behalf of the Board, I would like to express my sincere thanks to the local community for their ongoing support and would like to acknowledge the financial and in-kind support of Tamworth Regional Council, Country Energy, Everingham Solomons, Stephen A Maher & Co and The Northern Daily Leader. We are particularly grateful to Stephen Maher for his ongoing assistance as our Honorary Auditor.

I would also like to thank my fellow board members for their time and effort this year. I would particularly like to thank our longstanding board member, David McIlveen, who retired in October 2005. I would also like to welcome to the Board Alison McGaffin and Tim Blakely, both of whom have actively contributed to the organisation's strategic development over the year.

While 2005-06 has been a year of reflection and review, the Board is confident that this has

been an important investment in TRDC's future. We now have a clear plan in place for what we want to achieve and how we want to achieve this, and we have progressed the organisation's financial security significantly by agreeing a three-year funding arrangement with TRC.

These are important milestones, but we recognise there is much work to be done and the Board is very enthusiastic about what can now be achieved.

Finally, I wish to advise my decision to step down from the Board of TRDC effective 4 October 2006. During my three and a half years as Chairman the organisation has undergone a significant phase of change and redirection. During this period we have made and implemented decisions to re-establish TRDC as a key body in the regional development environment.

Also, as I alluded to earlier in this report, the Corporation was without a CEO for the first nine months of the year under review. During that period, I personally handled many of the media and business enquiries and as a result, gained a better insight into our organisation. This helped me greatly in my involvement in the appointment of Ms Byrnes and in forming our strategic plan for the next three years. I now believe the organisation is well placed both in terms of people and financial resources to realise this vision and that it is now an opportune time to welcome new energy to the executive.

I would like to take this opportunity to thank my fellow Board members, past and present, for their support and contribution during my term. I would also like to thank the local business community and Tamworth Regional Council for their commitment to TRDC.

I have greatly enjoyed my time as Chairman, particularly the opportunity to work so closely with the regional community in developing and leveraging the potential of this great region. I look forward to seeing the outcome of these efforts in the months and years ahead.

Terry Keating
Chairman



Executive Director's Report

Financial year 2005-06 has been a period of change for TRDC, but one that poses exciting prospects for the future. With the redirection of the organisation's strategic focus, there has been a concurrent need to revisit operational activities to ensure these are consistent with and supportive of the new direction.

The greatest challenge confronting TRDC is the effective and efficient utilisation of resources to deliver optimal results. The Board's strategic planning activities of 2005-06 have provided a solid framework from which to make these important resource allocation choices.

As a result, much time and effort has been focused upon better understanding the business and community's needs, identifying TRDC's core competencies and targeting improvement energies towards areas of priority. Some specific areas of focus have included:

- Relationship management – an ongoing program of relationship meetings with business, community and government representatives has commenced.
- Corporate identity – a new corporate image has now been developed to reflect the organisation's change from Tamworth Development Corporation to Tamworth Regional Development Corporation and to concurrently present a fresh, contemporary image to the marketplace.
- Regional promotion – TRDC is working with other key regional organisations such as TRC, Tourism Tamworth and the Chamber of Commerce to more consistently and cost effectively promote the Tamworth region as an area to live and work.
- Statistical research and analysis – in conjunction with TRC, TRDC is exploring the range of regional statistical information available in an effort to identify indicators of performance that can be efficiently collected, analysed and utilised by the community in its planning and development activities.

- Operational efficiencies – TRDC has negotiated to outsource its administration, records management and information technology requirements to TRC to deliver a more robust and cost effective operating environment.
- Risk management – TRDC is currently reviewing and implementing new policies and procedures to ensure more effective and efficient control and knowledge management environments.

Over the coming year, further progress in streamlining operations to ensure resources are allocated to priority tasks will be targeted. Efforts will also be focused on better technology utilisation to ensure TRDC is taking advantage of the efficiency dividends emerging technology can deliver.

Finally, TRDC's success is intrinsically linked to the development of collaborative relationships with our members, stakeholders, clients, and the broader business, government and community participants. Collectively, we can achieve so much more than the individual, so it is important to ensure there is minimal duplication and maximum collaboration across all sectors. TRDC will be working hard to achieve this.

I would like to take this opportunity to thank the Board for their endorsement and support. I would also like to thank those members of the business, government and community sectors who have already given so generously of their time to share their ideas and aspirations with me. I look forward to many more such discussions, and, more importantly, the delivery of some fantastic outcomes from our efforts.

Jo Byrnes
Executive Director



Financial Statements 2005-06

Balance Sheet

as at 30 June 2006

	Note	2006 \$	2005 \$
CURRENT ASSETS			
Cash	7	125052	40806
Other	8	6818	18100
Total Current Assets		<u>131870</u>	<u>58906</u>
NON CURRENT ASSETS			
Property, Plant and Equipment	9	13788	5830
Investments		0	0
Total Non Current Assets		<u>13788</u>	<u>5830</u>
TOTAL ASSETS		<u>145658</u>	<u>64736</u>
CURRENT LIABILITIES			
Payables	10	8618	8309
Other	11	4350	5230
Total Current Liabilities		<u>12968</u>	<u>13539</u>
TOTAL LIABILITIES		<u>12968</u>	<u>13539</u>
NET ASSETS		<u>132690</u>	<u>51198</u>
MEMBERS' FUNDS			
Retained Profits		132690	51198
TOTAL MEMBER'S FUNDS		<u>132690</u>	<u>51198</u>

This statement should be read in conjunction with the accompanying notes.



Income Statement

as at 30 June 2006

	Note	2006 \$	2005 \$
Operating Profit/(Loss) Before Income Tax	4,5	81492	(2459)
Income tax Attributable to Operating Profit	6	0	0
Operating Surplus/(Deficit) After Income Tax		81492	(2459)
Retained Surplus/(Deficit) at Beginning of Year		<u>51198</u>	<u>53657</u>
		<u>132690</u>	<u>51198</u>

This statement should be read in conjunction with the accompanying notes.



Statement of Cash Flows

for the Year Ended 30 June 2006

	Note	2006	2005
		Inflows/ (Outflows)	Inflows/ (Outflows)
		\$	\$
Cash Flows From Operating Activities			
Interest and Dividends Received		8732	3300
Receipts from Members		281027	154644
Receipts from Project Administration & Other			
Payments to Suppliers and Employees		(205513)	(175820)
Net Cash used in Operating Activities	14(ii)	<u>84246</u>	<u>(17876)</u>
Cash Flows from Investing Activities			
Investment with Tamworth Regional Council		<u>0</u>	<u>30614</u>
Net Cash Provided By (Used In) Investing Activities		<u>0</u>	<u>30614</u>
Net Increase (Decrease) in Cash Held		84246	12738
Cash at the Beginning of the Financial Year		40806	28068
Cash at the End of the Financial Year	14(i)	<u>125052</u>	<u>40806</u>

This statement should be read in conjunction with the accompanying notes.



Statement of Changes in Equity

for the year ended 30 June 2006

	Notes	Retained Earnings	Asset Revaluation Reserve	Other reserves	TRDC equity interest	Minority interest	Total equity
Balance at Beginning of the Reporting Period		51198			51198	0	51198
Adjustment on adoption of AASB132 and AASB 139							
Transfers to/from Asset Revaluation Reserve							
Transfers to/from Other Reserves							
Net Movements Recognised Directly in Equity							
Net Operating Result for the Year		81492			81492	0	81492
Balance at End of the Reporting Period		<u>132690</u>			<u>132690</u>	<u>0</u>	<u>132690</u>

Effect or correction of error in previous year, being an increase in retained earnings

for the year ended 30 June 2005

	Notes	Retained Earnings	Asset Revaluation Reserve	Other reserves	TRDC equity interest	Minority interest	Total equity
Balance at Beginning of the Reporting Period		53657			53657		53657
Adjustment on adoption of AASB132 and AASB 139							
Transfers to/from Asset Revaluation Reserve							
Transfers to/from Other Reserves							
Net Movements Recognised Directly in Equity							
Net Operating Result for the Year		-2459			-2459		-2459
Balance at End of the Reporting Period		<u>51198</u>			<u>51198</u>		<u>51198</u>

Effect or correction of error in previous year, being an increase in retained earnings

This statement should be read in conjunction with the accompanying notes.



Notes to and Forming Part of the Financial Statements

1 STATEMENT OF ACCOUNTING POLICIES

The accounts of the company have been drawn up in accordance with the accounting standards and disclosure requirements of the Australian accounting bodies, applicable Accounting Standards, the provisions of the Corporations Act 2001 and the requirements of law.

Basis of Preparation

First time adoption of Australian Equivalents to International Financial Reporting Standards

Tamworth Regional Development Corporation Ltd has prepared financial statements in accordance with the Australian Equivalent to the International Financial Reporting Standards (AIFRS) from 1 July 2005.

In accordance with the requirements of AASB1: First Time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the entity accounts resulting from the introduction of IFRS have been applied retrospectively to 2005 comparative figures excluding cases where optional exemptions under AASB1 have been applied. These accounts are the first financial statements of Tamworth Regional Development Corporation Ltd to be prepared in accordance with AIFRS.

The accounting policies set out below have been consistently applied to all years presented.

Reconciliations of transition from previous GAAP to AIFRS have been included in Note 3 of this report.

Reporting Basis and Conventions

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, financial assets and financial liabilities for which fair value basis of accounting has been provided.

Set out below is a summary of the significant accounting policies adopted by the company in the preparation of the accounts.

(a) Income Tax

The change for current income tax expense is based on the profit for the year adjusted for any non assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantially 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 assets are realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future taxable 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 tax legislation and its 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 law.

The company's liability for taxation is reduced by the application of the principle of mutuality, which excludes members' income from the company's assessable income.

(b) Subscription Income

Subscriptions are due for payment on the first day of the calendar year. Any income received in the preceding year is reflected in the accounts as subscriptions in advance, and is carried forward and brought to account as income in the year to which it relates.

(c) Property, Plant & Equipment

Plant & Equipment

Plant & Equipment are measured on the cost basis. 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 cash flows that 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.

Depreciation

The depreciable amount of all fixed assets is depreciated on a fixed line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to depreciation. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2%
Leasehold improvements	4-5%
Plant & Equipment	5-33%

(d) Cash

For the purpose of the statement of cash flows Cash includes:

- cash on hand and at call with banks or financial institutions, net of bank overdrafts; and
- investments in money market instruments with less than 14 days to maturity.

2 ECONOMIC DEPENDENCY

The viability of the Corporation will always depend on its financial sponsors. Foremost amongst these are the commitments we receive from the Tamworth Regional Council, Country Energy and the private sector at large. The Directors are aware that the Company will contract or expand its activities depending on the income available. The Directors are also aware that efforts for raising funds must be on a continuing basis.

The Directors are of the opinion that sufficient funds are available to meet the Corporation's current commitments and accordingly, the financial statements have been prepared on a going concern basis.



3 FIRST TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

Reconciliation of Equity 1 July 2004

	Previous GAAP at 1 July 2004	Effect of Transition to AIFRS	AIFRS at 1 July 2004
	\$		\$
CURRENT ASSETS			
Cash	28068		28068
Other	1594		1594
Total Current Assets	<u>29662</u>		<u>29662</u>
NON CURRENT ASSETS			
Property, Plant and Equipment	7948		7948
Investments	30615		30615
Total Non-Current Assets	<u>35563</u>		<u>35563</u>
TOTAL ASSETS	<u>68225</u>		<u>68225</u>
CURRENT LIABILITIES			
Payables	9618		9618
Other	4950		4950
Total Current Liabilities	<u>14568</u>		<u>14568</u>
TOTAL LIABILITIES	<u>14568</u>		<u>14568</u>
NET ASSETS	<u>53657</u>		<u>53657</u>
MEMBERS' FUNDS			
Retained Profits	53657		53657
TOTAL MEMBERS' FUNDS	<u>53657</u>		<u>53657</u>



Reconciliation of Equity 30 June 2005

	Previous GAAP at 30 June 2005	Effect of Transition to AIFRS	AIFRS at 30 June 2005
	\$		\$
CURRENT ASSETS			
Cash	40806		40806
Other	18100		18100
Total Current Assets	<u>58906</u>		<u>58906</u>
NON CURRENT ASSETS			
Property, Plant and Equipment	5831		5831
Investments	0		0
Total Non-Current Assets	<u>5831</u>		<u>5831</u>
TOTAL ASSETS	<u>64736</u>		<u>64736</u>
CURRENT LIABILITIES			
Payables	8329		8329
Other	5230		5230
Total Current Liabilities	<u>13560</u>		<u>13560</u>
TOTAL LIABILITIES	<u>13560</u>		<u>13560</u>
NET ASSETS	<u>51176</u>		<u>51176</u>
MEMBERS' FUNDS			
Retained Profits	51176		51176
TOTAL MEMBERS' FUNDS	<u>51176</u>		<u>51176</u>



Reconciliation of Profit and Loss 2005

Income Statement	Previous GAAP at 30 June 2005 \$	Effect of Transition to AIFRS	AIFRS at 30 June 2005 \$
as at 30 June 2005			
Operating Profit/(Loss) Before Income Tax	(2480)		(2480)
Income Tax Attributable to Operating Profit	0		0
Operating Surplus/(Deficit) After Income Tax	<u>(2480)</u>		<u>(2480)</u>
Retained Surplus/(Deficit) at Beginning of Year	53657		53657
Retained Surplus/(Deficit) at End of Year	<u><u>51177</u></u>		<u><u>51177</u></u>
		2006	2005
4 OPERATING REVENUE		\$	\$
Members' Fees		10046	10280
Members' Contributions		166493	175387
Other Revenue		<u>17902</u>	<u>3299</u>
		<u><u>194441</u></u>	<u><u>188966</u></u>
5 OPERATING PROFIT			
Included in Operating Profit are the following items:			
Audit		3000	3000
Depreciation of Plant and Equipment		2106	2118
6 INCOME TAX			
Income Tax Expense			
Prima Facie Income Tax Expense (Benefit) calculated at 30% on the Operating Profit/(Loss)		23138	(744)
Decrease in Income Tax Expense/(Benefit) due to Principle of Mutuality		<u>-23138</u>	<u>744</u>
		<u><u>0</u></u>	<u><u>0</u></u>
7 CASH			
Cash on Hand		30	30
Cash at Bank		16250	8280
Invested Funds		<u>108772</u>	<u>32496</u>
		<u><u>125052</u></u>	<u><u>40806</u></u>
8 OTHER			
Accrued Income		4803	16500
GST		<u>2015</u>	<u>1600</u>
		<u><u>6818</u></u>	<u><u>18100</u></u>

	2006	2005
9 PROPERTY, PLANT AND EQUIPMENT	\$	\$
Furniture and Fittings at Cost	5017	5017
Accumulated Depreciation	<u>(3260)</u>	<u>(2619)</u>
	<u>1757</u>	<u>2398</u>
Office Equipment at Cost	27542	17478
Accumulated Depreciation	<u>(15511)</u>	<u>(14046)</u>
	<u>12031</u>	<u>3432</u>
Total Property, Plant and Equipment	<u>13788</u>	<u>5830</u>
10 PAYABLES		
Current		
GST	178	1680
PAYG	7318	
Sundry Creditors and Accruals	<u>1122</u>	<u>6629</u>
	<u>8618</u>	<u>8309</u>
11 OTHER		
Membership Fees in Advance	<u>4350</u>	<u>5230</u>
	<u>4350</u>	<u>5230</u>

12 MEMBERS' LIABILITY

The Company is limited by guarantee and accordingly no shares have been issued. The Constitution of the Company specifically provides that no dividend, bonus or otherwise shall be paid to the members of the Company. On winding up of the Company, members may be required to contribute among themselves such amount as may be required not exceeding \$1.00 per member.

13 SEGMENT INFORMATION

The Company operates in Australia solely to further development in the Tamworth Region.



14 STATEMENT OF CASH FLOWS

- i) For the purposes of the Statement of Cash Flows, cash includes Cash On Hand and In Banks and Investments in money market instruments, net of any outstanding bank overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:

	2006	2005
	Inflows/ (Outflows)	Inflows/ (Outflows)
	\$	\$
Cash on Hand	30	30
Cash at Bank	16250	8280
Invested Funds	<u>108772</u>	<u>32496</u>
	<u>125052</u>	<u>40806</u>

- ii) Reconciliation of Net Cash provided by (used in) Operating Activities to Operating Profit (Loss) after Income Tax:

Operating Surplus/(Deficit) After Income Tax	81492	(2459)
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Non Cash Flows in Operating Profit (Loss):

Depreciation	2106	2118
(Increase) Decrease in Accrued Income	11282	(16506)
(Increase) Decrease in Property Plant Equipment	-10064	0
(Increase) Decrease in Sundry Debtors	0	0
(Increase) Decrease in Prepaid Expenses	0	0
Increase (Decrease) in Sundry Creditors	309	(1309)
Increase (Decrease) in Income in Advance	-880	280

Net Cash Provided By (Used In) Operating Activities	<u>84246</u>	<u>(17876)</u>
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Directors' Report

The Directors present their Report together with the Financial Statements of Tamworth Regional Development Corporation Limited for the year ended 30 June 2006.

Directors

The Directors in office as at the date of this report are:

Chairman

Terry Keating

Appointed Directors

Tamworth Regional Council

Glenn Inglis

Tamworth Regional Council

Alison McGaffin ¹

Tamworth Regional Council

Chris Johnston

Country Energy

Paul Brial

Tamworth & District Chamber of Commerce & Industry

Chris Power

Elected Directors

Astasia Pty Ltd

Gary Chillingworth

Country Connect Pty Ltd

Tim Blakely ²

R & M Steel Supplies (Uralla) Pty Ltd

Rob O'Brien

DR & DR McIlveen

David McIlveen ³

Notes:

1 Appointed 6 October 2005

2 Appointed 31 October 2005

3 Retired 31 October 2005

Company Secretary

As at 30 June 2006, Gary Chillingworth was TRDC's Company Secretary.

Operating Result

The operating profit for the year after income tax was \$81,492 (2005: -\$2,459).

Significant Changes in State of Affairs

For approximately nine months of the financial year, TRDC did not have a chief executive, though that position had been budgeted for. This contributed to a significant increase in operating profit for 2005-06. There were no other significant changes in the state of affairs of the company during the financial year other than those referred to in the Chairman's Review or Executive Directors Report.

Principal Activities

The principal activities of the company during the course of the year were to assist and promote the balanced development of the Tamworth Region.

After Balance Date Events

No significant events occurred subsequent to year end.

Future Developments

The company expects to maintain the present status and level of operations and will continue to actively promote the economic development of the Tamworth Region.

Key Business Strategies and Future Prospects

The company's business strategies and future prospects are detailed in the Chairman's Review and Executive Director's Report.

Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Dividends

The income and property of the company was applied solely towards the promotion of the objects of the company as set forth in the Constitution and no portion thereof was paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise howsoever by way of profit to the members of the company, except for the payment in good faith, of reasonable and proper remuneration to any officer or servant of the company or to any member of the company or other person in return for any services actually rendered to the company.

Options

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

Indemnities

During the financial year, the company paid a premium in respect of Association Liability Insurance insuring all directors, officers and employees (whether salaried or not) of the company against liabilities in respect of the following:

- Professional Indemnity insurance cover
- Directors & Officers Insurance cover
- Association Reimbursement Insurance cover
- Association Entity Insurance cover
- Employment Practices Insurance cover
- Fidelity Insurance cover
- Taxation Investigation cover.

The liabilities insured against included costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company or a related body corporate.

Proceedings on Behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.



Director Information

Terry Keating, FCPA

Chairman
First appointed 2003

Mr Keating is Dealer Principal and Managing Director of the J T Fossey Group of Companies in Tamworth. He has held these positions since 1977 and prior to this time was the group's financial controller for seven years.

He has been a member of the Ford National Dealer Council as the NSW non-metropolitan delegate for 16 of the past 20 years and has served as National Chairman since 2000. He has previously served on the executive of the Motor Traders Association of NSW, including three years as President. Mr Keating is currently President of the Longyard Golf Club, Tamworth.

Gary Kenneth Chillingworth

Deputy Chairman
First elected 2002

Mr Chillingworth was formerly founding director of Retorque Engine Reconditioning, Motorco, Bearfast, Peace Pipes, and a Councillor of the former Tamworth City Council, during which time he served on the board of Tamworth Development Corporation for three years. He is currently involved in property investment and development and is a director of Astasia Pty Ltd, GKRN Investments and CHITAI Investments. Mr Chillingworth is also President, North Tamworth Rugby League, Chairman, Victoria Park Precinct Committee, Secretary, Tamworth Sister City Committee, Secretary, Tamworth Tidy Towns Committee. Mr Chillingworth is also a member of TRDC's Marketing Sub-Committee.

Paul J Brial, MBA, BE(Hons), Dip. Tech(Eng)

First appointed 1997

After a 25 year career in power distribution throughout Northern NSW, Mr Brial was appointed Regional General Manager – Northern for Country Energy in 2001.

Robert O'Brien, JP, SAE(ret)

First elected 2002

Mr O'Brien is the founder of Obieco Industries, a manufacturing engineering company which now employs some seventy staff in Tamworth and distributes to national and international markets. Mr O'Brien, an automotive design engineer, retired from that company in 2002 and is now the Managing Director of R & M Steel Supplies Pty Ltd, an investment trading company. Mr O'Brien also operates a small rural enterprise in the New England area and provides consultancy advice to the engineering and construction industries. He has also previously held various community positions including presidency of sporting and social organisations.

Glenn Ronald Inglis, M.Bus., Grad. Dip. LGM, Dip. LGA, MLGMA

Current appointment commenced 2004

Mr Inglis is General Manager, Tamworth Regional Council and previously held the position of General Manager, Parry Shire Council. Between 1980 and 1993 he held a number of senior positions relating to finance, governance and public policy. Mr Inglis is also a Director of Australasian Pacific Aeronautical College.



Christopher Power BSc

First appointed 2004

Mr Power has held management positions in Tamworth in the economic development, food processing and at the present time the transport industry.

He was the Development Manager at Tamworth City Council for eight years and during this time was closely involved with Tourism Tamworth, industrial land development and sales, and economic development strategies for the city. He then managed Tamworth based food processing plants in the poultry and small stock areas and for the last 18 months has overseen the management of a period of rapidly changing legislation and regulation in the road transport industry at Careys Freight Lines.

He has extensive experience in the development and management of OH&S & Human Resources systems particularly related to compliance issues within the processing and transport industries.

Christopher Gerard Johnston

First appointed 2004

Mr Johnston has held management positions in New South Wales Local Government over the past 15 years including his current position as Manager, Economic Development and Commercial Lands with Tamworth Regional Council. Mr Johnston has also held management positions with responsibilities for economic development and land development at Kempsey Shire Council and Byron Shire Council.

Alison McGaffin, BA (Professional Writing), Grad Dip Urban and Regional Planning, Grad Cert in Local Govt Mgt

First appointed 2005

Ms McGaffin is a town planner who has held management positions in both State and Local Government, including Regional Planning Manager, Barwon Region with the former Department of Infrastructure, Planning and Natural Resources and the Manager of Approval and Regulatory Services with Maitland City Council. In September 2005, she joined Tamworth Regional Council as the Director of Environment, Planning and Economic Development. Ms McGaffin is a member of TRDC's Marketing Sub-Committee.

Tim Blakely, BAppSc (Ind Des), BAppSc (Enviro Des)

First appointed 2005

Mr Blakely is a design and marketing specialist with experience gained in Sydney, the United Kingdom, Austria and the United States. Over the past 12 years, he has successfully started and developed a number of internet based businesses, one of which was an internet service provider business which was subsequently acquired by a listed public company. He is currently Managing Director of Country Connect Pty Ltd, a web development and graphic design business located in Tamworth. Mr Blakely is Chairman of TRDC's Marketing Sub-Committee.

David McIlveen

First elected 1999. Appointed Deputy Chairman March 2003. Retired October 2005

Mr McIlveen is a licensed real estate agent and sales consultant with Ray White Real Estate. He is a Director of DR & DR McIlveen.



Meetings of Directors

Director Name	Directors' Meetings		Marketing Sub Committee	
	# Meetings Held	# Meetings Attended	# Meetings Held	# Meetings Attended
Terry Keating	7	6	-	-
Gary Chillingworth	7	5	2	1
Paul Brial	7	4	-	-
Robert O'Brien ¹	6	6	-	-
Glenn Inglis	7	6	-	-
Chris Power	7	6	-	-
Chris Johnston	7	7	-	-
Alison McGaffin ²	5	5	2	2
Tim Blakely ³	4	4	2	2
David McIlveen ⁴	3	1	-	-

Notes:

- 1 Granted a Leave of Absence for the period 5 May to 10 August 2006
- 2 Appointed 6 October 2005
- 3 Appointed 31 October 2005
- 4 Retired 31 October 2005

Directors' Benefits & Related Party Transactions

Since the end of the previous financial year no director of the company has received or become entitled to receive any benefits (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the accounts, or the fixed salary of a full-time employee of the company or of a related corporation) by reason of a contract made by the company or a related corporation with any director or with a firm of which any director is a member, or with a company in which any director has a substantial financial interest.

Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 24.

Corporate Governance

The directors of the company support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability. The company's corporate governance practices are currently under review with new policies and procedures currently being formulated to reflect industry standards.

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

T Keating
Chairman
Date: 24 August 2006



Directors' Declaration

The Directors of Tamworth Regional Development Corporation Limited declare that:

1. The financial statements and notes accompanying the financial statements present fairly the company's financial position as at 30 June 2006 and its performance for the year ended on that date in accordance with Accounting Standards and other mandatory professional reporting requirements.
2. 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.

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

T Keating
Chairman
Date: 24 August 2006



Independent Audit Report

To the members of Tamworth Regional Development Corporation Limited.

Scope

We have audited the attached financial statements, being a special purpose financial report, of Tamworth Regional Development Corporation Limited for the year ended 30 June 2006. The financial statements comprise the Income Statement, Balance Sheet, Statement of Cash Flows, Statement of Changes in Equity, and Notes to and Forming Part of the Financial Statements, and the Directors' Declaration. The company's directors are responsible for the financial statements and have determined that the accounting policies used and described in Note 1 to the financial statements are appropriate to meet the requirements of the Corporations Law and are appropriate to meet the needs of the members. We have conducted an independent audit of the financial statements in order to express an opinion on them to the members of Tamworth Regional Development Corporation Limited. No opinion is expressed as to whether the accounting policies used, and described in Note 1, are appropriate to the needs of the members.

The financial statements have been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting requirements under the Corporations Law. We disclaim any assumption of responsibility for any reliance on this audit report or on the financial statements to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial statements are presented fairly in accordance with the accounting policies described in Note 1 and Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the Company's financial position and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Independence

In accordance with ASIC Class order 05/83, we declare to the best of our knowledge and belief that the auditors independence declaration set out on page 13 of the financial report has not changed as at the date of providing our audit opinion.



Audit Opinion

In our opinion, the financial statements of Tamworth Regional Development Corporation Limited for the year ended 30 June 2006 is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 30th June 2006 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1, and
 - (ii) complying with Accounting Standards in Australia and other Accounting Standards to the extent described in Note 1 and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements to the extent described in Note 1.

Stephen A Maher
Stephen A Maher & Co
Chartered Accountant
Peel Street, Tamworth
Date: 24 August 2006

Auditor's Independence Declaration

Under Section 307C of the Corporations Act 2001

To the Directors of Tamworth Regional Development Corporation Limited.

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2006 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit;
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Stephen A Maher
Stephen A Maher & Co
Chartered Accountant
Peel Street, Tamworth
Date: 24 August 2006



Membership

The Directors and management of TRDC wish to gratefully acknowledge and thank our financial contributors for their continued support throughout the year. Membership as at the time of this report is as follows:

Special Acknowledgements

Tamworth Regional Council
Country Energy
Stephen A Maher & Co

Everingham Solomons
Northern Daily Leader

Financial Members

- Alandale Motor Inn & Function Centre
- Andromeda Engineering Pty Ltd
- ANZ Banking Group Limited
- Aon Risk Services Australia Limited
- Astasia Pty Ltd
- AusIndustry
- Aussie Light Fabrications
- Austin Tourist Park
- Australian Quarter Horse Association
- Australian Training and Consulting
- B J Cole & Co
- Bamford Marcellos O'Connor
- Barry Taylor Insurance Broker
- Barton van Aanholt
- Bath Stewart Associates Pty Ltd
- Bellata Gold
- Best Practice Constructions Pty Ltd
- Blowes Menswear
- Cahills Great Northern Chemist
- Carey's Freight Lines
- CGU Insurance Limited
- Challenge Tamworth
- City Plaza Centre Management
- Country Connect Business Communications
- Country Energy
- Decorama Blinds Pty Ltd
- Douvro Seeds
- DR & DR McIlveen
- Duncan Plante & Co
- Edwards Printing
- Egan Murphy Solicitors
- Elgas Ltd
- Everingham Solomons, Solicitors
- Fiona's Mini Bus Rentals
- Forsyths
- Freemans Loss Adjusters
- Hancocks Chartered Accountants
- Hill Lockart Architects
- Howard Haulage Pty Ltd
- J T Fossey (Sales) Pty Ltd
- Jo Crossing Chartered Accountant
- Joblink Plus
- Joseph Horan Solicitor
- Kings Smash Repairs
- L J Hooker Tamworth
- Lockhart Consulting Business Advisors
- Lyons Barnett Kennedy
- Manchester Unity
- Meers & Shelton First National
- National Cutting Horse Association of Australia
- NBN Television
- New England North West Group Training
- North West Locksmiths
- Northern Daily Leader
- Northern Inland Credit Union
- NSW Department of Education & Training
- Obieco Industries Pty Ltd
- One Six Four Marius Pty Ltd
- Peel Television Services Pty Ltd

- Peel Valley Training & Employment
- Penford Australia Limited
- QantasLink/Eastern Airlines
- Quality Hotel Powerhouse
- Quest Tamworth
- R & M Steel Supplies (Uralla) Pty Ltd
- R C Barber & Son Pty Ltd
- Robert Locke Solicitor & Attorney
- Rural Press Events
- Rutec Pty Ltd
- Small Business Centre New England & North West
- Southern Cross TEN
- St George Bank Limited
- Stephen A Maher & Co Chartered Accountant
- TAFE NSW - New England Institute
- Taminda Smash Repairs
- Tamworth & District Chamber of Commerce & Industry
- Tamworth Balustrade & Fabrication
- Tamworth Buslines
- Tamworth City Toyota
- Tamworth Quality Carpet Choice
- Tamworth Radio Cabs Co-Op Ltd
- Tamworth Regional Council
- Tamworth Shoppingworld Centre Management
- Tamworth Tenpin Bowling Centre
- Tamworth West Public School
- The Law Company
- TJ Treloar & Co Pty Ltd
- Top State Office Supplies Pty Ltd
- TR & CM Coultan Industries Pty Ltd
- WarburtonsIYB
- Whitham's Warehouse
- Woolworths Limited



Contact Details

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Facsimile	02 6766 2262
Email	trdc@tamworthregion.com.au
Website	www.tamworthregion.com.au
Chairman	Terry Keating
Company Secretary	Gary Chillingworth
Banker	ANZ Bank 479 Peel Street Tamworth NSW 2340
Auditors	Stephen A Maher & Co 1/459 Peel Street Tamworth NSW 2340
Accountants	Tamworth Regional Council Ray Walsh House Peel Street Tamworth NSW 2340
Solicitors	Everingham Solomons 437 Peel Street Tamworth NSW 2340

