

Kiteboarding Australia Limited ('KAL')

ANNUAL GENERAL MEETING ('AGM')

Minutes

Date: 24 November 2015

Location: Landers and Rogers, Level 12, 600 Bourke St, Melbourne, 3000, Victoria and electronic conference call.

Attendees: Drew Norton
Garth Towan
Simon Savage
Tom Hickey
Alexandra Lockie
Jordyn Roberts
Andrew Hansen
Steve McCormack
Rick Elliot
Mark Kelly
Sean Webb
Sonia Robinson
Janine Cullen

Chairperson: Campbell King

Quorum Present: Yes

Meeting Open: 5:43pm

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Mark Kelly
Sean Webb
Sonia Robinson

Chairperson: Campbell King

Quorum Present: Yes

Meeting Open: 5:43pm

Agenda Items

Order	Item	Action Items
1	Welcome and Opening of Meeting	
	The Chairperson welcomed the attendees and advised the following:	
	<ul style="list-style-type: none">• The meeting is to be run in accordance with the Constitution of the Company and the Corporations Act.• In accordance with clause 31 of the Constitution at least 21 days' notice of this meeting was given to the State Association Members.• As per clause 35 of the Constitution, the President (CK) shall preside as Chairperson of the meeting.	
2	Attendance and Quorum	
	The Chairperson advised that the following State Association Members were in attendance by way of a duly authorised delegate:	
	<ul style="list-style-type: none">• Kiteboarding New South Wales through Steve McCormack• Western Australia Kitesurfing Association through Drew Norton• South Australian Kitesurfing Association through Jordyn Roberts• Kiteboarding Victoria through Rick Elliot	
	The Chairperson advised that following proxies were received:	
	<ul style="list-style-type: none">• Kiteboarding Queensland and Northern Territory Inc for Alexandra Lockie to vote on their behalf.	

The Chairperson declared that a quorum was present.

3 Apologies

The Chairperson advised that no apologies had been received.

4 Confirmation of Previous Minutes

The Chairperson advised that the meeting minutes from the AGM on 20 March 2014 were circulated.

The Chairperson put forward the following resolution:

The members' resolve to accept the minutes from the Annual General Meeting held on 20 March 2015 as tabled and presented at the meeting.

The resolution was passed unanimously.

The approved minutes are attached here as appendix A.

5 Presentation of the President's Report

The Chairperson delivered a report in his capacity as President. A copy of the report is attached as appendix B.

6 Consideration of financial report

The Chairperson presented the financials for both the year ending 30 June 2014, attached here as appendix C, and the year ending 30 June 2015, attached here as appendix D. The Chairperson advised that the financial reports would be available on the website and circulated to attendees following the meeting.

The Chairperson advised that as a public company we have to prepare general purpose finance reports. This year no audited annual financial report was received as KAL's falls within the definition of a small company limited by guarantee under the Corporations Act. The Chairperson advised that whilst KAL is are obligated by our Constitution to have an audited annual financial report presented, the directors have taken the view that given this is not a requirement under the Corporations Act it is an unnecessary expense, likely to cost between \$2000 and \$4000.

The Chairperson further advised that the 2014 Annual Financial Report was being presented at this AGM as it was the first AGM held after 30 June 2014

The Chairperson put forward the following resolution:

That the 2014/2015 Financial Accounts for KAL be accepted by the members in the form presented, unless a member directs the Board to have the accounts audited or reviewed, and in the event the accounts are subsequently audited or reviewed, unless there is an adverse auditors report or review report, the accounts are accepted by the members without the need to reconvene a meeting of members.

The resolution was passed by the members unanimously.

7 Acceptance of Constitution Changes

The Chairperson advised that a number of changes to the Constitution were circulated with the notice of meeting. The Administrative Officer discussed the changes as circulated and discussed the effect of changes on members in relation to a question on the change to clause 18(i).

The Chairperson put forward the following resolution:

The members resolve to approve the changes to the Kiteboarding Australia constitution as tabled and presented at the meeting.

The resolution was passed unanimously.

The Chairperson put forward the following related resolution:

The members resolve that the KAL Board are authorised to prepare and execute all necessary documents and take all necessary actions as are required to effect the above special resolution.

The resolution was passed unanimously.

The Constitution as amended is attached here as appendix E.

8	Further Business
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No further business was discussed

Meeting Close: 6:07pm

Signed by the Chairperson:

Campbell King

Appendix A - 2014 AGM Minutes

Kiteboarding Australia Limited ('KAL')

ANNUAL GENERAL MEETING ('AGM')

Minutes

Date: 20 March 2014

Location: Royal Brighton Yacht Club, 253 Esplanade, Middle Brighton, Victoria.

Attendees:

Sean Carew ('SC')	Campbell King ('CK')
David Dewitt ('DD')	Hannah Sweeney ('HS')
Daniel Gilbert ('DG')	Garth Towan ('GT')
Ross Kilborn ('RK')	Sean Webb ('SW')

Chairperson: Campbell King

Quorum Present: Yes

Agenda Items

Order	Item
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1	Welcome and Opening of Meeting
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The Chairperson declared the meeting open at 10.04 am

The Chairperson welcomed the attendees and advised the following:

- The meeting is to be run in accordance with the Constitution of the Company and the Corporations Act.
- In accordance with clause 31 of the Constitution at least 21 days' notice of this meeting was given to the State Association Members.
- As per clause 35 of the Constitution, the President (CK) shall preside as Chairperson of the meeting.

2	Attendance and Quorum
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The Chairperson advised that the following State Association Members were in attendance by way of a duly authorised delegate:

- Kiteboarding Queensland and Northern Territory Inc through David Dewitt

The Chairperson advised that following proxies were received:

- New South Wales Kiteboarding Association
 - Western Australia Kitesurfing Association Inc
 - South Australian Kitesurfing Association Inc
 - Victorian Kiteboarding Association Inc
-

The Chairperson declared that a quorum was present.

3 Apologies

The Chairperson advised that apologies had been received from:

- Gavin Stevenson
- Terry Langford
- Darren Ellis
- Rick Elliot

4 Confirmation of Previous Minutes

The Chairperson advised that as this is the first General Meeting (Annual General Meeting or Special General Meeting) of KAL, there are no previous minutes that require confirmation.

5 Presentation of the President's Report

The Chairperson delivered a report in his capacity as President. A copy of the report is attached as appendix A.

As part of this report the Chairperson tabled the Pathway Report 2013 to 2017. A copy of the report can be found at appendix B.

6 Consideration of financial report

The Chairperson advised that no audited annual financial report was received as KAL's first year of trade is the year ended 30 June 2014.

In the circumstances, the Chairperson tabled the interim report for half year ended 31 December 2013 as well as the final accounts for the Australian Kite Surfing Association ('AKSA') for the year ended 30 June 2013. Copies of these reports can be found at appendix C and D respectively.

7 Directors Election

The Chairperson advised that an election of five (5) Elected Directors in accordance with clause 22 of the KAL Constitution would now take place.

GT from Lander and Rogers Lawyers advised that:

- Five valid nominations for the position of Director were received
- One invalid nomination was received from Hugh Cantwell. This was due to a procedural irregularity that could not be cured due to a lack of total consensus from the valid nominees.

GT stated that the election would be a preferential ballot in line with the Constitution. In those circumstances, as only five valid nominations had been received for five positions, each valid candidate had only needed to receive at least one vote in order to be elected.

On review of the ballot papers it was found that each nominee had received a vote.

Accordingly, the Chairperson declared the following nominees elected as Directors:

- Janine Cullen
- Campbell King
- Deborah Lloyd
- Simon Savage
- Sean Webb.

8 Appointment of an Auditor

The Chairperson put forward the following resolution:

The Board resolves to appoint Fraser Munro, CA of GMK Partners as auditor of the Company as per clause 42 of the Constitution.

The resolution was passed unanimously.

9

Further Business

No further business was discussed.

Meeting Close: 10:16am

Signed by the Chairperson:

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

Campbell King



2015 Presidents Report

The year ended 30 June 2015 year was one of strong organisational development for Kiteboarding Australia. This is the second annual general meeting since our organisation underwent a major structural change, with Kiteboarding Australia Limited established to take over from the Australian Kitesurfing Association Inc. 2015 has been about building a foundation of good governance and developing a team to tackle the ambitious initiatives outlined in the Pathway Report 2013 to 2017, Kiteboarding Australia's strategic plan. It has also been a year of finding our feet as new organisation.

The Pathway Report sets the long term and short term objectives of our organisation and can be used as a marker of progress for the organisation. I am pleased to say that many of recommendations are in varied stages of implementation giving us a good foundation for the year ahead to achieve better outcomes for our members. Members should expect to see the results of this work in the coming year through a better events calendar, member communications, and member benefits including insurance and improved industry engagement.

We made the significant investment to employ our first full time employee in Daniel Gilbert as the organisation's Administrative Officer. This has enabled a separation of the board from the day to day running of the organisation and is an important step in growing the capabilities of the organisation to implement our strategic plan. Daniel has put in a substantial effort to create dialogue with our key stakeholders, which has provided valuable input into the initiatives being undertaken. Daniel completed his employment with Kiteboarding Australia in June 2015 and I would like to thank him for his service and wish him the best for his future endeavours.

We are looking forward to working with Daniel's replacement Alexandra Lockie, who started with us in August 2015. Alex is a former lawyer with a passion for sport and sport administration having been involved with various sporting organisations both as a volunteer and an elite competitor. We are excited by what she has brought to the team.

We saw the convening of three consultative committees of Brand and Marketing, Safety Education and Accreditation and Events Competitions and Rules. Each had responsibilities for respective initiatives in the Pathway Report and each was led by a Director.

The committees had have their successes and challenges and I would like to thank everyone for their contributions. I would also like to encourage any of our members to get involved and put their hand up to assist in these areas.

In the area of Brand and Marketing Committee we worked through the update of our brand which has resulted in a great new image and website. We also began the transition to a new membership system

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and a new affiliate program which allows retailers and schools to sell memberships. This program is targeted at increasing member numbers and expanding our reach to new kites as they enter the sport as well as creating engagement with commercial operators.

In Safety Education and Accreditation Committee we been primarily focused on looking into the implementation of safety standards for our members and the creation of an Australian based instruction curriculum.

The Events, Competition and Rules committee worked through ideas and options for a national integrated events series.

As at 30 June 2015 each of these initiatives were in progress and I look forward to updating everyone on their progress at next years, AGM however much of what is being achieved should be obvious to all those involved.

KA and WAKSA has affiliated with our first club, the Perth Kite Racing Club. This has led to further discussions with kiteboarding groups around the country as they prepare to affiliate and benefit from that association. This is an example of how ground roots development can be encouraged on a larger scale than our state associations can facilitate. As volunteer driven organisations, empowering groups to create hubs of kiteboarders is an important way to encourage safe practices and expand the reach of KA.

As a class of sailing, KA is attempting to develop closer relationships with Yachting Australia. This is a work in progress and development of recognition of Kiteboarding Australia memberships for the purposes of Yachting Australia events is a key priority. There is also a desire for kiteboarding clubs to leverage the infrastructure of sailing clubs around the country. Furthermore, development of closer ties in relation to the spread of Australian Sports Commission funding is also being discussed.

There are no director elections at this year's AGM. Our board for the past 12 months has consisted of:

- Campbell King
- Simon Savage
- Janine Cullen
- Sean Webb
- Deborah Lloyd
- Sonia Robinson

I would like to thank my fellow board members for their contributions throughout the year and their continuing commitment.

I would like to say thank you to:

- Garth Towan from our lawyers, Lander and Rogers for your work throughout the year and use of this room tonight;
- Chad Armstrong and the team from our insurance broker, V-Insurance for your work to allow us to expand our membership offering;
- Renate Roth, our membership administrator, for your continued tireless work processing memberships;
- the State Associations for sticking with us, for motivating great events in your states and growing our sport in your area.

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In closing I would like to ask all our stakeholders your continued support for the year ahead.

A handwritten signature in black ink, appearing to read 'C. King', with a stylized, flowing script.

Campbell King
President

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**KITEBOARDING
AUSTRALIA**

Kiteboarding Australia Limited

General Purpose Financial Statements

For the year ended 30 June 2014

Directors Report

The Directors of Kiteboarding Australia Limited ('Kiteboarding Australia') present their Report together with the financial statements of the company for the year ended 30 June 2014.

Director Details

The following persons were Directors of Kiteboarding Australia during or since the end of the financial year.

Mr Campbell King

CA

Independent Non-Executive Director

President & Chairperson

Director since September 2012

Campbell is a Chartered Accountant with broad financial and commercial experience and is a Partner at accounting and advisory firm mi-fi. Campbell has been kiteboarding since 2004 and has been involved in the development of the sport since 2009 when he joined the committee of Kiteboarding Victoria serving as President. He became a committee member of the Australian Kitesurfing Association Inc in 2010 before becoming a founding director of Kiteboarding Australia Limited.

Mr Simon Savage

MBA MAICD

Independent Non-Executive Director

Vice-president

Director since March 2014

Simon is a management consultant with over 15 years' experience in strategic planning, stakeholder engagement and risk management. He has held executive positions for several large consulting firms and has been an officer for the Australian Department of Foreign Affairs and Trade. Simon has been involved with the sport of sailing his entire life and has been kiteboarding since 2009.

Mr Terry Langford

Independent Non-Executive Director

Director from September 2012 to March 2014

Terry is the national ICT Manager for a group of companies throughout Australia. He has been the secretary of the South Australian Kiting Association and is a past Vice-President and President of the former Australian Kitesurfing Association Inc. Terry is a founding director of Kiteboarding Australia Limited.

Mr Gavin Stevenson

Independent Non-Executive Director

Director from September 2012 to March 2014

Gavin is an environmental laboratory manager for the National Measurement Institute, specialising in measuring toxic manmade chemicals. He has been a committee member of the NSW kitesurfing Association and the Australian Kitesurfing Association Inc and is a founding director of Kiteboarding Australia Limited.

Mr Justin O'Malley

Independent Non-Executive Director
Director from September 2012 to August 2013

Justin has held positions with the Australian Kitesurfing Association Inc and the Western Australia Kitesurfing Association Inc and is a founding director of Kiteboarding Australia Limited.

Mr Sean Webb

BBS(Hon) GAICD F Fin MBA

Independent Non-Executive Director
Director since October 2013

Sean has over 10 years of experience as a director of Industry, Not-for-Profit and Sporting Boards. He is a past President of the Irish Kitesurfing Association and also held positions with the Australian Kitesurfing Association Inc and the Western Australia Kitesurfing Association Inc. Sean has been involved with the sport since 2003, holds a British Kitesports Association Senior Instructor qualification and has been teaching for over 8 years.

Mrs Janine Cullen

OAM FAICD

Independent Non-Executive Director
Director since March 2014

Janine has more than 20 years of experience as a director on State Government, Business and Not-for-Profit Boards. She has extensive skills in media, marketing, communication and advertising, having more than 25 years in senior management and leadership roles. Janine has a thorough understanding of corporate governance expectations, ethical considerations and setting strategic direction.

Mrs Deborah Lloyd

Independent Non-Executive Director
Director since March 2014

Principle Activities

During the year, the principal activities of Kiteboarding Australia were to act as the peak body for the sport of kiteboarding in Australia. In doing so delivering leadership, governance and best practice safety for its members and the kiteboarding community.

Activities included:

- Implementation of the Kiteboarding Australia Strategic Plan.
- In association with the state kiteboarding associations and the kiteboarding industry participants setting objectives, plans and priorities to deliver a successful and growing future for kiteboarding in Australia.
- Development of governance policies and procedures to support the activities and objectives of the organisation.
- Maintaining and improving the Kiteboarding Australian Insurance Program for the protection of individual members, officers and volunteers of Kiteboarding Australia and the state kiteboarding associations and the wider kiteboarding community.
- Promoting safe kiteboarding and maintaining beach access for kiteboarders through engagement with individual participants, local councils, government authorities and members of the public.

- Supporting the state kiteboarding associations through the collection and allocation of membership funds, professional resources and guidance.
- Promoting competition amongst members by organising and funding events.
- Promoting greater participation in kiteboarding.

Short-term Objectives

The Company's short term objectives are to:

- Develop a set of safety standards for members.
- Develop a national competition for all disciplines of kiteboarding.
- Develop a national instruction curriculum, accreditation system and corresponding insurance program for kiteboarding schools and instructors in Australia.
- Improve the Kiteboarding Australia brand and market presence.

Long-term Objectives

The Company's long term objectives are to:

- Obtain National Sporting Organisation status.
- Obtain federal government funding.
- Develop elite training programs and pathways to elite competition including the Olympics for aspiring athletes.

Strategy for achieving short and long-term objectives

To achieve these objectives, the Company had adopted the following strategies:

- Engaging relevant professionals to provide advice.
- Seeking out qualified and experienced individuals to join the Board.
- Developing strong relationships with all industry participants.

Significant Changes in the State of Affairs

On 1 July 2013 Kiteboarding Australia took over the operations of Australian Kite Surfing Association Inc ('AKSA'). AKSA was deregistered and its members voted in favour of transferring its assets to Kiteboarding Australia.

Directors' meetings

The number of meetings of Directors held during the year and the number of meetings attended by each Director, is as follows:

	Board Meetings	
	A	B
Campbell King	5	5
Simon Savage	1	1
Terry Langford	4	4
Gavin Stevenson	4	4
Justin O'Malley	1	1
Janine Cullen	1	1
Sean Webb	4	4
Deborah Lloyd	1	1

Where:

- **column A** is the number of meetings the Director was entitled to attend
- **column B** is the number of meetings the Director attended

Members

The Company is limited by guarantee and without share capital. The members as at 30 June 2014 are:

- New South Wales Kiteboarding Association Inc.
- Kiteboarding Queensland & Northern Territory Inc.
- South Australian Kitesurfing Association Inc.
- Kiteboarding Victoria Inc.
- Western Australia Kite Surfing Inc.

Contribution in winding up

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the entity. At 30 June 2014, the total amount that members of the Company are liable to contribute if the Company is wound up is \$5.

Small Company Limited by Guarantee

As at 30 June 2015 Kiteboarding Australia Limited is a small company limited by guarantee as defined in s.45B of the Corporations Act 2001. As such the Company is not required to have its accounts audited or reviewed unless directed by a member of the Company or by the Australian Securities & Investments Commission.

These financial statements have not been audited or reviewed.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2014

	Notes	2014 \$	2013 \$
Revenue			
Membership Revenue		211,272	-
Contribution Income	4.1	117,775	-
Interest Income		1,452	-
		330,499	-
Expenses			
Funding to State Associations	5.1	(53,490)	-
Insurance		(98,330)	-
Membership Expenses		(21,309)	-
Other Operating Expenses	5.2	(80,178)	-
		(253,307)	-
Surplus/(Deficit) for the year		77,192	-
Other comprehensive income		-	-
Total Comprehensive Income/(Loss) for the Year		77,192	-

This statement should be read in conjunction with the notes to the financial statements.

Statement of Financial Position

As at 30 June 2014

	Notes	2014 \$	2013 \$
Assets			
Current Assets			
Cash and Cash Equivalents	6	137,474	-
Prepaid Insurance		73,556	-
Trade and Other Receivables	7	660	-
Total Current Assets		211,690	-
Total Assets		211,690	-
Liabilities			
Current Liabilities			
Borrowings	8	358	-
Trade and Other Payables	9	134,139	-
Total Current Liabilities		134,498	-
Total Liabilities		134,498	-
Net Assets		77,192	-
Equity			
Retained Earnings		77,192	-
Total Equity		77,192	-

This statement should be read in conjunction with the notes to the financial statements.

Statement of Changes in Equity

For the year ended 30 June 2014

	2014	2013
	\$	\$
Equity		
Opening Balance	-	-
Current Year Earnings	77,192	-
Total Equity	77,192	-

This statement should be read in conjunction with the notes to the financial statements.

Statement of Cash Flows

For the year ended 30 June 2014

	Notes	2014 \$	2013 \$
Cash flows from Operating Activities			
Receipts from customers		211,272	-
Payments to suppliers and employees		20,709	-
Interest received		1,452	-
Finance costs		560	-
Cash receipts from other operating activities		91,723	-
Cash payments from other operating activities		113,429	-
Total Cash flows from Operating Activities		169,748	-
Cash flows from Investing Activities			
Other cash items from investing activities		(5,527)	-
Total Cash flows from Investing Activities		(5,527)	-
Cash flows from Financing Activities			
Proceeds from borrowings		60	-
Repayment of borrowings		17,504	-
Total Cash flows from Financing Activities		(17,444)	-
Cash flows from Other Activities			
Cash flows from other activities		(9,304)	-
Total Cash flows from Other Activities		(9,304)	-
Net increase/(decrease) in cash held		137,474	-
Opening cash balance		-	-
Closing cash balance	6	137,474	-
Movement in cash		137,474	-

This statement should be read in conjunction with the notes to the financial statements.

Note to the Financial Statements

1 General information and statement of compliance

The financial report includes the financial statements and notes of Kiteboarding Australia Limited ('Kiteboarding Australia' or 'the Company').

The Company has elected to adopt the Australian Accounting Standards – Reduced Disclosure Requirements (established by AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements).

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001. Kiteboarding Australia Limited is a Not for Profit entity for the purpose of preparing the financial statements.

The financial statements for the year ended 30 June 2014 were approved and authorised for issue by the Board of Directors on 23 November 2015.

2 Changes in accounting policies

2.1 New and revised standards that are effective for these financial statements

These are the first annual financial statements of the Company. These statements have been prepared in accordance with all standards effective for annual periods beginning 1 January 2014.

3 Summary of accounting policies

3.1 Overall considerations

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

The financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

3.2 Revenue

Revenue comprises the sale of memberships, contribution income received from the Australian Kitesurfing Association Inc and interest income.

Revenue is measured by reference to the fair value of consideration received or receivable by the Company for goods supplied and services provided, excluding sales taxes.

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the Company's different activities have been met. Details of the activity-specific recognition criteria are described below.

Membership Revenue

Revenue from the sale of memberships is recognised when received.

Contribution Income

Contribution income is the proceeds received from the Australian Kitesurfing Association Inc ('AKSA') on its winding up. This was a one off event and the income was recognised when Kiteboarding Australia took control of AKSA's operations on 1 July 2013.

Interest Income

Interest income is recognised when received.

3.3 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

3.4 Income taxes

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

3.5 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

3.6 Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are initially measured at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

3.7 Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- loans and receivables
- financial assets at Fair Value Through Profit Or Loss ('FVTPL')
- Held-To-Maturity ('HTM') investments;
- Available-For-Sale ('AFS') financial assets

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs or finance income, except for impairment of trade receivables which is presented within other expenses.

Loans and receivables

This category is most relevant to the Company. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets that are either classified as held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

HTM investments

HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as HTM if the Company has the intention and ability to hold them until maturity.

HTM investments are measured subsequently at amortised cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external

credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognised in profit or loss.

The Company did not have any HTM financial assets during the year ended 30 June 2014.

AFS financial assets

AFS financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets.

All AFS financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the AFS reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income. Interest calculated using the effective interest method and dividends are recognised in profit or loss within 'revenue' (see Note 3.2).

Reversals of impairment losses for AFS debt securities are recognised in profit or loss if the reversal can be objectively related to an event occurring after the impairment loss was recognised. For AFS equity investments impairment reversals are not recognised in profit or loss and any subsequent increase in fair value is recognised in other comprehensive income.

The Company did not have any AFS financial investments during the year ended 30 June 2014.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include borrowings and trade and other payable.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

3.8 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value

3.9 Provisions, contingent liabilities and contingent assets

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

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

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

3.11 Significant judgement in applying accounting policies

When preparing the financial statements, the Company undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Going Concern

The Company's financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

4 Revenue

4.1 Contribution Income

Contribution income represent the net assets received from the Australian Kitesurfing Association Inc ('AKSA') on its winding up made up of:

	2014
	\$
Cash	91,723
Prepaid Insurance	44,110
Prepaid Interest	496
Insurance Funding Liability	(17,504)
Accounts Payable	(1,050)
	117,775

5 Expenditure

5.1 Funding to State Associations

	2014 \$
New South Wales Kiteboarding Association Inc.	11,910
Kiteboarding Queensland & Northern Territory Inc.	5,430
South Australian Kitesurfing Association Inc.	6,570
Kiteboarding Victoria Inc.	9,390
Western Australia Kite Surfing Inc.	19,560
Tasmanian Kitesurfing Association Inc.	630
	53,490

Funding is calculated based on members who renew or join during the year from that state.

5.2 Other Operating Expenditure

	2014 \$
Consulting	17,995
Contractors	24,500
IT	4,044
Legal Expenses	16,580
Marketing	180
Office and Administration Expenses	639
Bank Fees	64
Interest Expense	794
Travel	15,382
	80,178

6 Cash and Cash Equivalents

	2014 \$
Cash at Bank	137,474
	137,474

7 Trade and Other Receivables

	2014 \$
TFN Withholding Tax	660
	660

Tax withheld from interest payments on Cash at Bank due to a Tax File Number not being provided to the bank. To be claimed back from the Australian Taxation Office.

8 Borrowings

	2014
	\$
Macquarie Insurance Premium Funding	358
	358

9 Trade and Other Payables

	2014
	\$
Provision for State Association Funding	36,450
Accounts Payable	97,096
GST Payable	594
	134,139

11 Post-reporting date events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

12 Member's Guarantee

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum \$1 each towards meeting any outstanding obligations of the entity. At 30 June 2014, the total amount that members of the Company are liable to contribute if the Company wound up is \$5.

Directors' Declaration

- 1) In the opinion of the Directors of Kiteboarding Australia Limited:
 - a) The financial statements and notes of Kiteboarding Australia Limited are in accordance with the Corporations Act 2001, including:
 - i) Giving a true and fair view of its financial position as at 30 June 2014 and of its performance for the financial year ended on that date; and
 - ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - b) There are reasonable grounds to believe that Kiteboarding Australia Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



Director
Campbell King

Dated the 23rd day of November 2015



**KITEBOARDING
AUSTRALIA**

Kiteboarding Australia Limited

General Purpose Financial Statements

For the year ended 30 June 2015

Directors Report

The Directors of Kiteboarding Australia Limited ('Kiteboarding Australia') present their Report together with the financial statements of the company for the year ended 30 June 2015.

Director Details

The following persons were Directors of Kiteboarding Australia during or since the end of the financial year.

Mr Campbell King

CA

Independent Non-Executive Director

President & Chairperson

Director since September 2012

Campbell is a Chartered Accountant with broad financial and commercial experience and is a Partner at accounting and advisory firm mi-fi. Campbell has been kiteboarding since 2004 and has been involved in the development of the sport since 2009 when he joined the committee of Kiteboarding Victoria serving as President. He became a committee member of the Australian Kitesurfing Association Inc in 2010 before becoming a founding director of Kiteboarding Australia Limited.

Mr Simon Savage

MBA MAICD

Independent Non-Executive Director

Vice-president

Director since March 2014

Simon is a management consultant with over 15 years' experience in strategic planning, stakeholder engagement and risk management. He has held executive positions for several large consulting firms and has been an officer for the Australian Department of Foreign Affairs and Trade. Simon has been involved with the sport of sailing his entire life and has been kiteboarding since 2009.

Mr Sean Webb

BBS(Hon) GAICD F Fin MBA

Independent Non-Executive Director

Director since October 2013

Sean has over 10 years of experience as a director of Industry, Not-for-Profit and Sporting Boards. He is a past President of the Irish Kitesurfing Association and also held positions with the Australian Kitesurfing Association Inc and the Western Australia Kitesurfing Association Inc. Sean has been involved with the sport since 2003, holds a British Kitesports Association Senior Instructor qualification and has been teaching for over 8 years.

Mrs Janine Cullen**OAM FAICD**

Independent Non-Executive Director
Director since March 2014

Janine has more than 20 years of experience as a director on State Government, Business and Not-for-Profit Boards. She has extensive skills in media, marketing, communication and advertising, having more than 25 years in senior management and leadership roles. Janine has a thorough understanding of corporate governance expectations, ethical considerations and setting strategic direction.

Ms Sonia Robinson**BA (Hons) MA (Hons) RYA/MCA Yachtmaster Offshore**

Independent Non-Executive Director
Director since June 2015

Sonia is a sport development strategist. Over the past 10 years she has created policies and safety standards for national sailing school operations. She engages with stakeholders to promote participation and retention through the provision of quality program frameworks, pathways and resources. She is an active kiteboarder, sailing instructor and past committee member and Vice President of Kiteboarding NSW.

Mrs Deborah Lloyd

Independent Non-Executive Director
Director from March 2014 to January 2015

Administrative Officer

Mr Daniel Gilbert

Administrative Officer from August 2014 to June 2015

Daniel is responsible for the day to day management of the organisation. Daniel holds a degree in sports management and has experience within the sporting industry with a focus on research, strategy and innovation. Daniel's prior role as the head of research for global sports management company Mummu Sport has provided him with rich knowledge of the market.

Principle Activities

During the year, the principal activities of Kiteboarding Australia were to act as the peak body for the sport of kiteboarding in Australia. In doing so delivering leadership, governance and best practice safety for its members and the kiteboarding community.

Activities included:

- Implementation of the Kiteboarding Australia Strategic Plan.
- In association with the state kiteboarding associations and the kiteboarding industry participants setting objectives, plans and priorities to deliver a successful and growing future for kiteboarding in Australia.
- Development of governance policies and procedures to support the activities and objectives of the organisation.
- Maintaining and improving the Kiteboarding Australian Insurance Program for the protection of individual members, officers and volunteers of Kiteboarding Australia and the state kiteboarding associations and the wider kiteboarding community.

- Promoting safe kiteboarding and maintaining beach access for kiteboarders through engagement with individual participants, local councils, government authorities and members of the public.
- Supporting the state kiteboarding associations through the collection and allocation of membership funds, professional resources and guidance.
- Promoting competition amongst members by organising and funding events.
- Promoting greater participation in kiteboarding.

Short-term Objectives

The Company's short term objectives are to:

- Develop a set of safety standards for members.
- Develop a national competition for all disciplines of kiteboarding.
- Develop a national instruction curriculum, accreditation system and corresponding insurance program for kiteboarding schools and instructors in Australia.
- Improve the Kiteboarding Australia brand and market presence.

Long-term Objectives

The Company's long term objectives are to:

- Obtain National Sporting Organisation status.
- Obtain federal government funding.
- Develop elite training programs and pathways to elite competition including the Olympics for aspiring athletes.

Strategy for achieving short and long-term objectives

To achieve these objectives, the Company had adopted the following strategies:

- Engaging relevant professionals to provide advice.
- Employing a full time resource to act as General Manager and fill the constitutional role of Administrative Officer.
- Seeking out qualified and experienced individuals to join the Board.
- Developing strong relationships with all industry participants.

Directors' meetings

The number of meetings of Directors held during the year and the number of meetings attended by each Director, is as follows:

	Board Meetings	
	A	B
Campbell King	7	7
Simon Savage	7	7
Janine Cullen	7	7
Sean Webb	7	7
Deborah Lloyd	7	6
Sonia Robinson	1	1

Where:

- **column A** is the number of meetings the Director was entitled to attend
- **column B** is the number of meetings the Director attended

Members

The Company is limited by guarantee and without share capital. The members as at 30 June 2015 are:

- New South Wales Kiteboarding Association Inc.
- Kiteboarding Queensland & Northern Territory Inc.
- South Australian Kitesurfing Association Inc.
- Kiteboarding Victoria Inc.
- Western Australia Kite Surfing Inc.

Contribution in Winding Up

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the entity. At 30 June 2015, the total amount that members of the Company are liable to contribute if the Company is wound up is \$5.

Small Company Limited by Guarantee

As at 30 June 2015 Kiteboarding Australia Limited is a small company limited by guarantee as defined in s.45B of the Corporations Act 2001. As such the Company is not required to have its accounts audited or reviewed unless directed by a member of the Company or by the Australian Securities & Investments Commission.

These financial statements have not been audited or reviewed.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2015

	Notes	2015 \$	2014 \$
Revenue			
Operating Revenue		193,724	211,272
Contribution Income	4.1	-	117,775
Interest Income		1,083	1,452
Total Revenue		194,808	330,499
Expenses			
Employee Benefits Expense	5.1	(45,417)	-
Funding to State Associations	5.2	(46,050)	(53,490)
Insurance		(80,238)	(98,330)
Membership Expenses		(15,333)	(21,309)
Other Operating Expenses	5.3	(61,349)	(80,178)
Total Expenses		(248,387)	(253,307)
Surplus/(Deficit) for the year		(53,579)	77,192
Other comprehensive income		-	-
Total Comprehensive Income/(Loss) for the Year		(53,579)	77,192

This statement should be read in conjunction with the notes to the financial statements.

Statement of Financial Position

As at 30 June 2015

	Notes	2015 \$	2014 \$
Assets			
Current Assets			
Cash and Cash Equivalents	6	86,364	137,474
Prepaid Insurance		73,505	73,556
Trade and Other Receivables	7	1,180	660
Total Current Assets		161,049	211,690
Total Assets		161,049	211,690
Liabilities			
Current Liabilities			
Borrowings	8	-	358
Trade and Other Payables	9	137,437	134,139
Total Current Liabilities		137,437	134,498
Total Liabilities		137,437	134,498
Net Assets		23,613	77,192
Equity			
Retained Earnings		23,613	77,192
Total Equity		23,613	77,192

This statement should be read in conjunction with the notes to the financial statements.

Statement of Changes in Equity

For the year ended 30 June 2015

	2015	2014
	\$	\$
Equity		
Opening Balance	77,192	-
Current Year Earnings	(53,579)	77,192
Total Equity	23,613	77,192

This statement should be read in conjunction with the notes to the financial statements.

Statement of Cash Flows

For the year ended 30 June 2015

	Notes	2015 \$	2014 \$
Cash flows from Operating Activities			
Receipts from customers		193,724	211,272
Payments to suppliers and employees		61,350	20,709
Interest received		1,083	1,452
Finance costs		90	560
Cash receipts from other operating activities		-	91,723
Cash payments from other operating activities		62,982	113,429
Total Cash flows from Operating Activities		70,386	169,748
Cash flows from Investing Activities			
Other cash items from investing activities		(79,091)	(5,527)
Total Cash flows from Investing Activities		(79,091)	(5,527)
Cash flows from Financing Activities			
Proceeds from borrowings		35,790	60
Repayment of borrowings		38,234	17,504
Total Cash flows from Financing Activities		(2,444)	(17,444)
Cash flows from Other Activities			
Cash flows from other activities		(39,960)	(9,304)
Total Cash flows from Other Activities		(39,960)	(9,304)
Net increase/(decrease) in cash held		(51,109)	137,474
Opening cash balance		137,474	-
Closing cash balance	6	86,364	137,474
Movement in cash		(51,109)	137,474

This statement should be read in conjunction with the notes to the financial statements.

Note to the Financial Statements

1 General information and statement of compliance

The financial report includes the financial statements and notes of Kiteboarding Australia Limited ('Kiteboarding Australia' or 'the Company').

The Company has elected to adopt the Australian Accounting Standards – Reduced Disclosure Requirements (established by AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements).

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001. Kiteboarding Australia Limited is a Not for Profit entity for the purpose of preparing the financial statements.

The financial statements for the year ended 30 June 2015 were approved and authorised for issue by the Board of Directors on 23 November 2015.

2 Changes in accounting policies

2.1 New and revised standards that are effective for these financial statements

A number of new and revised standards are effective for annual periods beginning on or after 1 January 2014. Information on these new Standards is presented below.

AASB 10 Consolidated Financial Statements

AASB 10 supersedes the consolidation requirements in AASB 127 *Consolidated and Separate Financial Statements* (AASB 127) and AASB Interpretation 112 *Consolidation - Special Purpose Entities*. AASB 10 revises the definition of control and provides extensive new guidance on its application. These new requirements have the potential to affect which of the Group's investees are considered to be subsidiaries and therefore to change the scope of consolidation. The requirements on consolidation procedures, accounting for changes in non-controlling interests and accounting for loss of control of a subsidiary are unchanged.

AASB 10 is applicable to Not for Profit entities for annual reporting periods beginning on or after 1 January 2014.

To assist Not for Profit entities applying the AASB 10, the AASB issued AASB 2013-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities* on 31 October 2013.

AASB 2013-8 added an appendix to AASB 10 to explain and illustrate how the principles in AASB 10 apply from the perspective of Not for Profit entities in the private and public sectors, particularly to address circumstances where a for-profit perspective does not readily translate to a Not for Profit perspective. Similarly, it added an appendix to AASB 12 *Disclosure of Interests in Other Entities*, in relation to structured entities.

AASB 10 (and AASB 2013-8) became applicable to Not for Profit entities for annual reporting periods beginning on or after 1 January 2014.

The adoption of these amendments has not had a material impact on the Company.

AASB 11 Joint Arrangements

AASB 11 supersedes AASB 131 *Interests in Joint Ventures* (AAS 131) and AASB Interpretation 113 *Jointly Controlled Entities- Non-Monetary-Contributions by Venturers*. AASB 11 revises the categories of joint arrangement, and the criteria for classification into the categories, with the objective of more closely aligning the accounting with the investor's rights and obligations relating to the arrangement. In addition, AASB 131's option of using proportionate consolidation for arrangements classified as jointly controlled entities under that Standard has been eliminated. AASB 11 now requires the use of the equity method for arrangements classified as joint ventures (as for investments in associates).

AASB 11 became applicable to Not for Profit entities for annual reporting periods beginning on or after 1 January 2014.

The adoption of these amendments has not had a material impact on the Company.

AASB 12 Disclosure of interests in Other Entities

AASB 12 integrates and makes consistent the disclosure requirements for various types of investments, including unconsolidated structured entities. It combines the existing disclosures in AASB 127, AASB 128 & AASB 131, and introduces a range of new disclosure requirements.

AASB 12 became applicable to Not for Profit entities for annual reporting periods beginning on or after 1 January 2014.

The adoption of these amendments has not had a material impact on the Company.

AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities

AASB 2012-3 adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

AASB 2012-3 is applicable to annual reporting periods beginning on or after 1 January 2014

The adoption of these amendments has not had a material impact on the Company as the amendments merely clarify the existing requirements in AASB 132.

AASB 2013-6 Amendments to AASB 136 arising from Reduced Disclosure Requirements

AASB 2013-6 makes amendments to AASB 136 *Impairment of Assets* to establish reduced disclosure requirements for entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements arising from AASB 2013-3 *Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets*. AASB 2013-3 made narrow scope amendments to AASB 136, addressing disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

AASB 2013-6 became applicable to annual reporting periods beginning on or after 1 January 2014.

The adoption of these amendments has not had a material impact on the Company.

3 Summary of accounting policies

3.1 Overall considerations

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

The financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

3.2 Revenue

Revenue comprises the sale of memberships, contribution income received from the Australian Kitesurfing Association Inc and interest income.

Revenue is measured by reference to the fair value of consideration received or receivable by the Company for goods supplied and services provided, excluding sales taxes.

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the Company's different activities have been met. Details of the activity-specific recognition criteria are described below.

Membership Revenue

Revenue from the sale of memberships is recognised when received.

Contribution Income

Contribution income is the proceeds received from the Australian Kitesurfing Association Inc ('AKSA') on its winding up. This was a one off event and the income was recognised when Kiteboarding Australia took control of AKSA's operations on 1 July 2013.

Interest Income

Interest income is recognised when received.

3.3 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

3.4 Income taxes

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

3.5 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

3.6 Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are initially measured at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

3.7 Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- loans and receivables
- financial assets at Fair Value Through Profit Or Loss ('FVTPL')
- Held-To-Maturity ('HTM') investments;
- Available-For-Sale ('AFS') financial assets

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs or finance income, except for impairment of trade receivables which is presented within other expenses.

Loans and receivables

This category is most relevant to the Company. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets that are either classified as held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

HTM investments

HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as HTM if the Company has the intention and ability to hold them until maturity.

HTM investments are measured subsequently at amortised cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognised in profit or loss.

The Company did not have any HTM financial assets during the year ended 30 June 2014.

AFS financial assets

AFS financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets.

All AFS financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the AFS reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income. Interest calculated using the effective interest method and dividends are recognised in profit or loss within 'revenue' (see Note 3.2).

Reversals of impairment losses for AFS debt securities are recognised in profit or loss if the reversal can be objectively related to an event occurring after the impairment loss was recognised. For AFS equity investments impairment reversals are not recognised in profit loss and any subsequent increase in fair value is recognised in other comprehensive income.

The Company did not have any AFS financial investments during the year ended 30 June 2014.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include borrowings and trade and other payable.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

3.8 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value

3.9 Employee Benefits

Short-term employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries, non-monetary benefits and accumulating sick leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

At 30 June 2015 the Company did not have any employees and all liabilities for annual leave and long service leave had been had been settled.

3.10 Provisions, contingent liabilities and contingent assets

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

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

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

3.12 Significant judgement in applying accounting policies

When preparing the financial statements, the Company undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Going Concern

The Company's financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

4 Revenue

4.1 Contribution Income

Contribution income represent the net assets received from the Australian Kitesurfing Association Inc ('AKSA') on its winding up made up of:

	2015 \$	2014 \$
Cash	-	91,723
Prepaid Insurance	-	44,110
Prepaid Interest	-	496
Insurance Funding Liability	-	(17,504)
Accounts Payable	-	(1,050)
	-	117,775

5 Expenditure

5.1 Employee Benefits Expense

	2015 \$	2014 \$
Superannuation	3,940	-
Wages and Salaries	41,477	-
	45,417	-

5.2 Funding to State Associations

	2015 \$	2014 \$
New South Wales Kiteboarding Association Inc.	10,530	11,910
Kiteboarding Queensland & Northern Territory Inc.	4,470	5,430
South Australian Kitesurfing Association Inc.	5,640	6,570
Kiteboarding Victoria Inc.	7,710	9,390
Western Australia Kite Surfing Inc.	17,100	19,560
Tasmanian Kitesurfing Association Inc.	600	630
	46,050	53,490

Funding is calculated based on members who renew or join during the year from that state.

5.3 Other Operating Expenditure

	2015	2014
	\$	\$
Consulting	21,066	17,995
Contractors	2,820	24,500
IT	6,144	4,044
Legal Expenses	13,890	16,580
Marketing	7,803	180
Office and Administration Expenses	1,567	639
Bank Fees	89	64
Interest Expense	2,088	794
Travel	5,883	15,382
	61,349	80,178

6 Cash and Cash Equivalents

	2015	2014
	\$	\$
Cash at Bank	86,364	137,474
	86,364	137,474

7 Trade and Other Receivables

	2015	2014
	\$	\$
TFN Withholding Tax	1,180	660
	1,180	660

Tax withheld from interest payments on Cash at Bank due to a Tax File Number not being provided to the bank. To be claimed back from the Australian Taxation Office.

8 Borrowings

	2015	2014
	\$	\$
Macquarie Insurance Premium Funding	-	358
	-	358

9 Trade and Other Payables

	2015	2014
	\$	\$
PAYG Withholdings Payable	3,023	-
Provision for State Association Funding	34,200	36,450
Accounts Payable	94,068	97,096
GST Payable	6,145	594
	137,437	134,139

10 Post-reporting date events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

11 Member's Guarantee

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum \$1 each towards meeting any outstanding obligations of the entity. At 30 June 2015, the total amount that members of the Company are liable to contribute if the Company wound up is \$5.

Directors' Declaration

- 1) In the opinion of the Directors of Kiteboarding Australia Limited:
 - a) The financial statements and notes of Kiteboarding Australia Limited are in accordance with the Corporations Act 2001, including:
 - i) Giving a true and fair view of its financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
 - ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - b) There are reasonable grounds to believe that Kiteboarding Australia Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



Director
Campbell King

Dated the 23rd day of November 2015

Constitution

Date: 24 November 2015

KITEBOARDING AUSTRALIA LIMITED
ACN 159 967 101

Lander & Rogers

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Constitution

Date: 24 November 2015

1. NAME OF THE COMPANY

The name of the Company is Kiteboarding Australia Limited (**KAL**).

2. OBJECTS OF KAL

The Objects for which KAL is established are to:

- (a) adopt and exercise the Sporting Power as the national federation for Kiteboarding in Australia and act as the sole Australian affiliated member of International Kiteboarding Association (**IKA**) in accordance with the Statutes and Regulations of IKA;
- (b) create a single uniform entity through and by which Kiteboarding can be conducted, encouraged, promoted, advanced and administered;
- (c) provide for the conduct, encouragement, promotion and administration of Kiteboarding through and by various State Associations;
- (d) ensure the maintenance and enhancement of KAL and Kiteboarding, its standards, quality and reputation for the benefit of the Members and Kiteboarding;
- (e) at all times promote mutual trust and confidence between KAL and the Members in pursuit of these Objects;
- (f) at all times act in the interests of the Members and Kiteboarding;
- (g) promote the economic and sporting success, strength and stability of KAL, each State Association and Kiteboarding;
- (h) affiliate and otherwise liaise with the IKA and Yachting Australia Inc (**YA**), in the pursuit of these Objects and Kiteboarding;
- (i) conduct, encourage, promote, advance and control Kiteboarding;
- (j) conduct or commission research and development for improvements in methods of Kiteboarding and Kiteboarding equipment;
- (k) use and protect the Intellectual Property;
- (l) apply the property and capacity of KAL solely towards the fulfilment and achievement of these Objects;

- (m) promote the involvement and influence of Kiteboarding standards, techniques, awards and education with bodies involved in Kiteboarding and other sail sports;
- (n) strive for Governmental, commercial and public recognition of KAL as the authority on Kiteboarding safety and management; promulgate, and secure uniformity in, such rules as may be necessary for the management and control of Kiteboarding and related activities;
- (o) further extend the operations and teachings of KAL to all States and elsewhere;
- (p) further develop Kiteboarding into an organised institution and with these Objects in view, to foster, regulate, organise and manage examinations, competitions, displays and other activities and to issue badges, medallions and certificates and award trophies to successful Members;
- (q) review and/or determine any matters relating to Kiteboarding which may arise, or which are referred to it, by any State Association;
- (r) act as final arbiter on all matters pertaining to the conduct of Kiteboarding in Australia, including disciplinary matters;
- (s) pursue through itself or other such commercial arrangements, including sponsorship and marketing opportunities as are appropriate to further the interests of Kiteboarding;
- (t) formulate or adopt and implement appropriate policies, including in relation to sexual harassment, equal opportunity, equity, drugs in sport, health, safety, junior and senior programs, infectious diseases and such other matters as arise from time to time as issues to be addressed in Kiteboarding;
- (u) represent the interests of its Members and of Kiteboarding generally in appropriate fora;
- (v) have regard to the public interest in its operations;
- (w) 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;
- (x) ensure that environmental considerations are taken into account in all Kiteboarding and related activities conducted by KAL;
- (y) promote the health and safety of Kiteboarders;
- (z) encourage Members to realise their potential and athletic abilities by extending to them the opportunity of education and participation in Kiteboarding competition and to award trophies and rewards to successful competitors;
- (aa) encourage and promote performance-enhancing drug free competition;

- (bb) establish, grant and support awards to Members and others, in honourable public recognition of hard and meritorious rescues from the sea, deeds of exceptional bravery from time to time performed in the course of Kiteboarding and other distinguished services and acts;
- (cc) give, and seek where appropriate, recognition for Members to obtain awards or public recognition in fields of endeavour other than Kiteboarding;
- (dd) promote uniformity of laws for the control and regulation of the aquatic environment and to assist authorities in enforcing these laws;
- (ee) effect such other purposes as may be necessary in the interests of Kiteboarding; and
- (ff) undertake and or do all such things or activities which are necessary, incidental or conducive to the advancement of these Objects.

3. POWERS OF KAL

Solely for furthering the Objects under **clause 2**, the Company, in addition to the Sporting Power and any other powers it has under the Corporations Act, has the legal capacity and powers of a company limited by guarantee as set out under section 124 of the Corporations Act.

4. APPLICATION OF INCOME

- (a) The income and property of KAL shall be applied solely towards the promotion of the Objects.
- (b) Except as prescribed in this Constitution:
 - (i) no portion of the income or property of KAL shall be paid or transferred, directly or indirectly by way of dividend, bonus or otherwise to any Member; and
 - (ii) no remuneration or other benefit in money or money's worth shall be paid or given by KAL to any member who holds any office of KAL.
- (c) Nothing contained in **clauses 4(a) or (b)** shall prevent payment in good faith of or to any Member:
 - (i) for any services actually rendered to KAL whether as an employee or otherwise;
 - (ii) for goods supplied to KAL in the ordinary and usual course of business;
 - (iii) of interest on money borrowed from any Member;
 - (iv) of rent for premises demised or let by any Member to KAL; or
 - (v) for any out-of-pocket expenses incurred by the Member on behalf of KAL;

provided that any such payment shall not exceed the amount ordinarily payable between ordinary commercial parties dealing at arm's length in a similar transaction.

5. ADDITION, ALTERATION OR AMENDMENT

No addition, alteration or amendment shall be made to this Constitution unless the same has been approved by a Special Resolution.

6. LIABILITY OF MEMBERS

The liability of the Members of KAL is limited.

7. MEMBERS' CONTRIBUTIONS

Every State Association undertakes to contribute to the assets of KAL in the event of it being wound up while a Member, or within one year after ceasing to be a Member for payment of the debts and liabilities of KAL contracted before the time at which it ceases to be a Member, and the costs, charges and expenses of winding up and for an adjustment of the rights of contributors among themselves, such amount as may be required not exceeding one dollar (\$1.00).

8. DISTRIBUTION OF PROPERTY ON WINDING UP

If upon winding up or dissolution of KAL there remains after satisfaction of all its debts and liabilities any assets or property, the same shall not be paid to or distributed amongst the Members of KAL but shall be given or transferred to some registered or exempted charity, having objects similar to the Objects and which prohibits the distribution of its or their income and property among its or their Members to an extent at least as great as is imposed on KAL by this Constitution. Such registered or exempted charity to be determined by the Member States at or before the time of dissolution, and in default thereof by such judge of the Supreme Court of New South Wales as may have or acquire jurisdiction in the matter.

9. ACCOUNTS

True accounts shall be kept of the sums of money received and expended by KAL and the manner in respect of which such receipt and expenditure takes place and of the property, assets and liabilities of KAL and subject to any reasonable restrictions as to time and manner of inspecting the same that may be imposed in accordance with this Constitution of KAL for the time being, shall be open to the inspection of the Members. Once at least in every year the accounts of KAL shall be presented to the Members in accordance with the provisions of the Act.

10. INTERPRETATION

(a) In this Constitution unless the contrary intention appears:

Act means the *Corporations Act 2001 (Cth)*.

Affiliated Club means a Kiteboarding club recognised by and/or affiliated with KAL and the relevant State Association.

Administrative Officer means the Administrative Officer of KAL for the time being appointed under this Constitution.

Appointed Director means a director appointed under **clause 23**.

Board means the body consisting of the Directors, the President and the Administrative Officer.

Constitution means this Constitution of KAL.

Director means a member of the Board, other than the Administrative Officer and includes the President, Elected Directors and Appointed Directors.

Elected Director means a Director elected under **clause 22** and includes the President.

Financial year means the year ending 30 June in each year.

General Meeting means the annual or a special general meeting of KAL.

Individual Members means a member of KAL who has paid the required membership fee under **clause 14** and whose application for membership has been received and approved by KAL.

Intellectual Property means all rights subsisting in copyright, trade names, trade marks, logos, designs, equipment, images (including photographs, videos or films) or service marks (whether registered or registrable) relating to KAL, the words “Kiteboarding” or any event or competition or Kiteboarding equipment, product, publication or activity developed, conducted, promoted or administered by KAL.

Kiteboarding means the sport of Kiteboarding as recognised and regulated by IKA from time to time or such other disciplines of Kiteboarding as may be recognised by KAL from time to time.

Life Member means a Life Member of KAL.

Member means a member for the time being of KAL under **clause 13**.

National Register of Individual Members means the database of all Individual Members held by KAL.

Objects means the objects of KAL set out in **clause 2**.

President means the President for the time being of KAL.

Regulations means any Regulations made by the Board under **clause 39**.

Seal means the common seal of KAL (if any) and includes any official seal of KAL.

Special Resolution means a resolution approved by a majority of State Delegates and passed by at least three-quarters of the Members of KAL

present (in person or by proxy) and entitled to vote, at a Special General Meeting called for that purpose.

Sporting Power means that power delegated by one or more international sporting federations to KAL for the exclusive control and management of Kiteboarding in Australia.

State means a State of Australia and includes the Northern Territory and the Australian Capital Territory of Australia.

State Acts means the State associations incorporation legislation (by whatever named called).

State Association means a Member recognised under this Constitution to administer Kiteboarding in its particular State in accordance with the Objects.

State Delegate means the delegate appointed by each State Association to represent it at General Meetings.

- (b) Expressions referring to “writing” shall unless the contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form, including messages sent by electronic mail.
- (c) In this Constitution
 - (i) a reference to a function includes a reference to a power, authority and duty;
 - (ii) a reference to the exercise of a function includes, where the function is a power, authority or duty, a reference to the exercise of the power or authority of the performance of the duty;
 - (iii) words importing the singular include the plural and vice versa;
 - (iv) words importing any gender include the other genders;
 - (v) references to persons include corporations and bodies politic;
 - (vi) references to a person include the legal personal representatives, successors and permitted assigns of that person;
 - (vii) a reference to a statute, ordinance, code or other law includes regulations and other statutory instruments under it and consolidations, amendments, reenactments or replacements of any of them (whether of the same or any legislative authority having jurisdiction).
- (d) If any provision of this Constitution or any phrase contained in it is invalid or unenforceable in any jurisdiction, the phrase or provision is to be read down for the purpose of that jurisdiction, if possible, so as to be valid and enforceable, and otherwise shall be severed to the extent of the invalidity or unenforceability, without affecting the remaining provisions of the Constitution

or affecting the validity or enforceability of that provision in any other jurisdiction.

- (e) The specification of the Objects in **clause 2** and the powers in **clause 3**, are not in any particular order and are not to be construed so as to lead to the construction that any object or power is more important than any other object or power nor than any object or power which is specified in detail is more important than any object or power which has not been specified in detail, and no particular object or power will be limited by reference to any other and the rule of construction known as the *ejusdem generis rule* shall not apply.
- (f) Except where the contrary intention appears in this Constitution, an expression in a provision of this Constitution, that deals with a matter dealt with by a particular provision of the Act, has the same meaning as that provision of the Act.
- (g) KAL is established solely for the Objects.
- (h) The replaceable rules referred to in the Act are displaced by this Constitution.

11. STATE ASSOCIATIONS

- (a) There shall be established in each State a State Association. Each State Association shall be recognised by KAL as a Member and shall administer Kiteboarding in its particular State in accordance with the Objects and the objects of the State Association. Each State Association shall be named according to the State in which it is located.
- (b) Each State Association shall:
 - (i) be incorporated (or in the process of incorporating, which process must be concluded within 12 months from the date of adoption of this Constitution) in its particular State;
 - (ii) appoint a representative annually to represent it at General Meetings;
 - (iii) provide KAL with copies of its accounts, annual report and other associated documents within 30 days of the State Association's annual general meeting;
 - (iv) adopt the Objects (in whole or in such part as are applicable to that State Association) and adopt clauses or rules which reflect, and which are, to the extent permitted or required by the State Acts, generally, in conformity with this Constitution;
 - (v) apply its property and capacity solely in pursuit of its objects and Kiteboarding;
 - (vi) do all that is reasonably necessary to enable its objects to be achieved;

- (vii) act in good faith and loyalty to ensure the maintenance and enhancement of Kiteboarding, its standards, quality and reputation for the benefit of the Members and Kiteboarding;
 - (viii) at all times act in the interests of the Members and Kiteboarding; and
 - (ix) by adopting the Objects, abide by this Constitution.
- (c) KAL and the State Associations agree:
- (i) that they are bound by this Constitution and this Constitution operates to create a single, uniform entity through and by which the Objects and Kiteboarding are to be conducted, encouraged, promoted, advanced and administered;
 - (ii) to ensure the maintenance and enhancement of Kiteboarding, its standards, its quality and reputation for the benefit of the Members and Kiteboarding;
 - (iii) not do or permit to be done any act or thing which might adversely affect or derogate from the standards, quality and reputation of Kiteboarding, and its maintenance and enhancement;
 - (iv) promote the economic and sporting success, strength and stability of each other and to act interdependently with each other in pursuit of their respective objects;
 - (v) to act in the interests of Kiteboarding and the Members;
 - (vi) that should a State Association be having administrative, operational or financial difficulties, including but not limited to where a State Association:
 - (A) takes or has taken or has instituted against it any action or proceeding, whether voluntary or compulsory, having as its object the winding up of the State Association; or
 - (B) enters into a composition or arrangement with its creditors, other than a voluntary winding up by members for the purpose of reconstruction or amalgamation; or
 - (C) a mortgagee or other creditor takes possession of any of its assets;

KAL may act to assist that State Association in whatever manner it considers appropriate, including, but not limited to the appointment of an administrator; and
 - (vii) where the Board considers or is advised that a State Association has allegedly:

- (A) breached, failed, refused or neglected to comply with a provision of this Constitution, the Regulations, or any resolution or determination of the Board; or
- (B) acted in a manner prejudicial to the Objects and interests of KAL and/or Kiteboarding; or
- (C) brought KAL, any other State Association of Kiteboarding into disrepute;

the Board, may after allowing the State Association a reasonable opportunity to explain, adjudicate and if necessary penalise that State Association with such penalty as it thinks appropriate.

12. STATE ASSOCIATION CONSTITUTIONS

- (a) Within 12 months from the adoption of this Constitution the constituent documents of each State Association must clearly reflect the Objects and must conform to this Constitution subject to any requirements in a relevant State Act.
- (b) Each State Association will:
 - (i) provide to KAL a copy of its constituent documents and all amendments to these documents. Each State Association acknowledges and agrees that the Board has power to veto any provision in a State Association Constitution which, in Board's opinion, is contrary to the Objects, this Constitution or the Regulations; and
 - (ii) take all steps necessary to ensure its constituent documents and rules are in conformity with this Constitution and will ensure its documents are amended in conformity with future amendments made to this Constitution; and
 - (iii) maintain, in a form acceptable to KAL and with such details as are required by the Board, a Register of all Affiliated Clubs and all Individual Members of those clubs in its State. Each State Association shall provide a copy at a time and in a form acceptable to KAL, of its Register and regular updates of it to KAL.

13. MEMBERS

- (a) The Members of KAL shall consist of:
 - (i) the State Associations, which subject to this Constitution, shall be represented by their State Delegates who shall have the right to be present, debate and vote at General Meetings;
 - (ii) Affiliated Clubs, which shall be represented by an individual nominated from time to time in writing by the club to the relevant State Association. The nominee shall have the right to be present and to debate on behalf of the Affiliated Club at General Meetings, but shall have no voting rights;

- (iii) Life Members, who shall have the right to be present and to debate at General Meetings, but shall have no voting rights;
 - (iv) all Individual Members, who shall have the right to be present at General Meetings, but shall have no voting or debating rights; and
 - (v) such new categories of Members created in accordance with **clause 13(b)** below.
- (b) The Board has power from time to time to create new categories of membership with such rights, privileges and obligations as are determined applicable even if the effect of creating a new category is to alter rights, privileges or obligations of an existing category of members.

14. INDIVIDUAL MEMBERS

- (a) Applications by individuals to become Individual Members must be made to KAL in the form prescribed from time to time by KAL.
- (b) A person will only be an Individual Member once they have been recorded in the National Register of Individual Members and the membership fee under **clause 15** has been received by KAL.
- (c) KAL has the right to accept or reject any application for individual membership.
- (d) Where KAL rejects an application it shall refund any fees forwarded with the application and the application shall be deemed rejected. KAL is not obliged to provide reasons where it rejects an application.
- (e) Any fees remitted to KAL for Individual Membership in excess of the agreed membership subscription in **clause 15** shall be remitted to the relevant State Association or Affiliated Club.
- (f) State Associations and Affiliated Clubs may accept individuals as members in a social capacity for a fee determined at their discretion, however these persons will not be considered Individual Members and will not be afforded any rights, benefits, advantages, privileges and services of KAL membership.

15. FEES

The annual membership subscription (if any) and fees payable by Members to KAL, the time for and manner of payment shall be as determined by the Board from time to time.

16. AFFILIATION

- (a) To be eligible for affiliation a club should be incorporated or in the process of incorporation. The Board may consider other clubs for affiliation in its discretion.
- (b) An application for affiliation by a club must be:

- (i) in writing on the form prescribed by the Board from time to time, from the club or its nominated representative and lodged with the relevant State Association; and
 - (ii) (where available) accompanied by a copy of the club's constitution which must be acceptable to KAL and be substantially in conformity with this Constitution and the constituent documents of the relevant State Association; and accompanied by the appropriate fee, if any.
- (c) A State Association may accept or reject an application whether the applicant club has complied with the requirements in **clauses 16(a) and 16(b)** or not. Where a State Association accepts an application and KAL ratifies such acceptance, the applicant club will become an Affiliated Club. Membership of KAL will commence however, upon acceptance of the application by the State Association. Where a State Association rejects an application the State Association will refund any fees forwarded with the application. A State Association is not obliged to provide reasons where it rejects an application.
- (d) Where an Affiliated Club is not incorporated or is in the process of incorporating, the nominated representative of the Affiliated Club shall represent the club for all membership purposes under this Constitution until the club is incorporated.
- (e) Affiliated Clubs must re-affiliate annually. Upon re-affiliation a club must lodge with the relevant State Association any amendments to its constitution or changes in its nominated representative. Each Affiliated Club will ensure that its constitution is amended in conformity with amendments made to this Constitution and the constituent documents of the relevant State Association.
- (f) All clubs and individual members of clubs which are currently members of the Australian Kite Surfing Association or KAL shall be deemed Affiliated Clubs, and Individual Members, and thus Members of KAL at the time of adoption of this Constitution.
- (g) Individual Members of clubs must renew their membership with KAL annually. Individual Members pay their membership fees (determined under **clause 15**) direct to KAL.

17. EFFECT OF MEMBERSHIP

Members acknowledge and agree that:

- (a) this Constitution constitutes a contract between each of them and KAL and that they are bound by the Constitution and the Regulations;
- (b) they shall comply with and observe this Constitution and the Regulations and any determination or resolution which may be made or passed by the Board or any duly authorised committee or board;
- (c) by submitting to this Constitution and the Regulations they are subject to the jurisdiction of KAL;

- (d) the Constitution and Regulations are necessary and reasonable for promoting the Objects and particularly the advancement and protection of Kiteboarding; and
- (e) they are entitled to all benefits, advantages, privileges and services of KAL membership.

18. DISCONTINUANCE OF MEMBERSHIP

- (a) A Member (other than a State Association) having paid all arrears of fees payable by it or him to KAL, may withdraw from membership by giving notice in writing of such withdrawal to the relevant State Association and KAL, and where an Individual Member of a club also to his club.
- (b) Membership of KAL may be discontinued by the Board upon breach of any clause of this Constitution, including, but not limited to the failure to pay any monies owed to KAL, the Regulations or any resolutions or determinations made or passed by the Board or any duly authorised committee or board.
- (c) Membership shall not be discontinued under **clause 18(b)** without the Board first giving the accused Member the opportunity to explain and/or remedy the breach.
- (d) Where a Member fails, in the Board's view, to adequately explain or remedy the breach, that Member's membership shall be discontinued under **clause 18(b)** by KAL giving written notice of the discontinuance to the Member.
- (e) Membership which has been discontinued under **clause 18(b)** may be reinstated at the discretion of the Board.
- (f) A Member which ceases to be a Member shall forfeit all rights in and claim upon KAL and its property, and shall not use any Kiteboarding equipment or any other property of KAL, including Intellectual Property.
- (g) Membership fees or subscriptions paid by the discontinued Member for the relevant year may be refunded on a pro-rata basis to the Member upon discontinuance. The name of such Member shall be removed from the Register of Members.
- (h) Notwithstanding **clause 19** the Board may require the relevant State Association to expel or suspend an Affiliated Club which has not re-affiliated with KAL, or an Individual Member of an Affiliated Club who has not renewed his Affiliated Club membership, within one (1) month of re-affiliation or membership renewal falling due.
- (i) Where an Individual Member fails to renew his membership within two (2) weeks of being required to do so his membership of KAL lapses.
- (j) A Member which has been expelled or suspended under **clause 18** or whose membership has lapsed under **clause 18(i)**:
 - (i) must reapply for membership in accordance with this Constitution; but

- (ii) may be readmitted at the discretion of the Board.

19. DISCIPLINE OF MEMBERS

- (a) Where the Board is advised or considers that a Member (including State Associations) has allegedly:
 - (i) breached, failed, refused or neglected to comply with a provision of this Constitution, the Regulations or any resolution or determination of the Board or any duly authorised Committee or Board; or
 - (ii) acted in a manner unbecoming of a Member, or prejudicial to the Objects and interests of KAL and/or Kiteboarding; or
 - (iii) brought themselves, KAL or any other State Association or Kiteboarding into disrepute;

the Board may commence or cause to be commenced, disciplinary proceedings against that Member, and that Member, will be subject to, and submits unreservedly to the jurisdiction, disciplinary procedures and penalties and the appeal mechanisms of KAL as set out in the Regulations.

- (b) The Board may appoint a Judiciary Committee, which need not be comprised of Members, to deal with any disciplinary matter referred to it. The Committee shall operate under the principles expressed and in accordance with, the Regulations.

20. EXISTING DIRECTORS

The President and Directors of KAL at the time of adoption of this Constitution shall continue in those positions until the next Annual General Meeting following that adoption. The Administrative Officer of KAL at the time of adoption of this Constitution shall continue in that position subject to contractual arrangements.

21. COMPOSITION OF THE BOARD

The Board shall comprise:

- (a) five (5) Elected Directors who will be elected by the State Associations under **clause 22**; and
- (b) up to two (2) Appointed Directors who will be appointed under **clause 23**.

22. ELECTED DIRECTORS

- (a) The Elected Directors shall be elected from amongst nominations submitted to KAL in accordance with this Constitution for a term of 2 years, which shall commence from the conclusion of the Annual General Meeting at which the election occurred until the conclusion of the second Annual General Meeting following.
- (b) For each two year period, three Elected Directors shall be elected in the first year and two Elected Directors shall be elected in the second year. Should

any adjustment to the term of Elected Directors elected under this Constitution be necessary to ensure rotational terms in accordance with this Constitution, this shall be determined by the Board. In the event the Board cannot agree on such adjustment, this shall be determined by lot. Elections to subsequent Boards shall then proceed in accordance with the procedures in this Constitution with approximately one half the Elected Directors retiring each year.

- (c) Nominations shall be called for by the Administrative Officer at least fifty-six (56) days prior to the Annual General Meeting. When calling for nominations the Administrative Officer shall also provide details of the necessary qualifications and job descriptions for the positions. Qualifications and job descriptions shall be as determined by the Board from time to time.
- (d) Nominations must be:
 - (i) in writing;
 - (ii) on the prescribed form provided for that purpose;
 - (iii) signed by a nominator and a seconder, who shall be Individual Members; and
 - (iv) certified by the nominee expressing his willingness to accept the position for which he is nominated.
- (e) Nominations must be received by the Administrative Officer at least twenty eight (28) days prior to the Annual General Meeting and shall be sent to the Members entitled to receive notice under this Constitution (being Affiliated Clubs and the State Associations) of the Annual General Meeting with the agenda for that General Meeting.
- (f) Subject to nominees having the appropriate qualifications nominations shall be open to any Individual Member.
- (g) The elections shall be by preferential ballot and shall be by secret ballot on papers prepared by the Administrative Officer.
- (h) As soon as practicable following each Annual General Meeting, the five Elected Directors shall elect one of their number:
 - (i) to be President; and another
 - (ii) to be Vice-President, for the ensuing year.

The President shall be elected first and then the Vice-President. If there is more than one candidate for each position and each candidate has received an equality of votes, the positions of President and Vice-President shall be chosen by random draw between the candidates with an equality of votes for the respective positions.

23. APPOINTED DIRECTORS

- (a) Up to two Appointed Directors may be appointed by the Elected Directors for their expertise in an area considered desirable. Nominations will be called for from State Associations, which shall be considered, together with any nominations from the Board, before any such appointment is made. Nominations from State Associations shall be made to the Administrative Officer in accordance with the process set out in **clause 22**. Alternatively, should there be no such nominations, the Board may resolve to approach any particular person for appointment and upon acceptance that person will be duly appointed upon declaration to that effect being made by the Administrative Officer.
- (b) The term of appointment for an Appointed Director shall be for such period as is determined by the Elected Directors but shall not exceed two years, with appointment to end at the relevant Annual General Meeting.
- (c) Appointed Directors shall be eligible for re-appointment by the Elected Directors following the procedures set-out in this **clause 22**.

24. POWERS OF THE BOARD

Subject to the Act and the provisions of this Constitution the business of KAL shall be managed, and the powers of KAL shall be exercised, by the Board. In particular the Board as the national authority for Kiteboarding in Australia, shall be responsible for acting on all national issues in accordance with the Objects and shall operate for the benefit of the Members and the community throughout Australia and shall:

- (a) govern Kiteboarding in Australia in accordance with the Objects;
- (b) determine major strategic directions;
- (c) determine policies;
- (d) review KAL's performance in achieving its pre-determined aims, objectives and policies; and
- (e) manage international responsibilities.

25. VACANCIES OF DIRECTORS

- (a) In addition to the circumstances in which the office of a Director becomes vacant by virtue of the Act, the office of a Director becomes vacant if the Director:
 - (i) becomes bankrupt or makes any arrangement or composition with his creditors generally;
 - (ii) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;
 - (iii) resigns his office in writing to KAL;

- (iv) is absent without the consent of the Directors from meetings of the Board held during a period of six months;
- (v) without the consent of the Members in General Meeting holds any office of profit under KAL;
- (vi) is directly or indirectly interested in any contract or proposed contract with KAL and fails to declare the nature of his interest;
- (vii) in the majority opinion of the Board:
 - (A) has acted in a manner unbecoming or prejudicial to the Objects and interests of KAL and/or Kiteboarding; or
 - (B) has brought himself, KAL, any State Association or Kiteboarding into disrepute; or
- (viii) is otherwise prohibited from being a Director of a company under the Act.
- (b) Any vacancy occurring in Elected Director membership of the Board, other than the position of President may be filled by the remaining Directors from among appropriately qualified Individual Members. Any vacancy occurring in the position of President may be filled by the remaining Elected Directors from among their number only.
- (c) In the event of a vacancy or vacancies in the office of a Director or Directors, the remaining Directors may act but, if the number of remaining Directors is not sufficient to constitute a quorum at a meeting of the Directors, they may act only for the purpose of increasing the number of Directors to a number sufficient to constitute such a quorum.
- (d) Subject to this Constitution all Directors shall continue in force until the conclusion of the elections at the Annual General Meeting of KAL at which their successors are appointed or elected as the case may be. Appointed directors may be re-appointed. Elected Directors may be re-elected.

26. MANAGEMENT

- (a) Subject to the policy directives of the Board, KAL shall be managed by the Administrative Officer who may exercise all powers of KAL which are not, under the Act or this Constitution required to be exercised by the Board or KAL in General Meeting, and subject further to any restriction contained in this Constitution or the provisions of the Act. No resolution passed by KAL in General Meeting shall invalidate any prior act of the Administrative officer or the Board which would have been valid if that resolution had not been passed.
- (b) The Administrative Officer shall ensure that the resolutions of the Board and KAL are properly and efficiently carried out and shall transact all business of KAL between Board meetings and General Meetings. The Administrative Officer shall report to the Board at each Board meeting.

- (c) All cheques and negotiable instruments shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by:
 - (i) the Administrative Officer (for any expenditure within the limits determined by the Board from time to time); or
 - (ii) any two (2) persons appointed in writing by the Board.

27. MEETINGS OF THE BOARD

- (a) The Board shall meet as often as is deemed necessary in every calendar year for the dispatch of business and may adjourn and, subject to this Constitution otherwise regulate, its meetings as it thinks fit. Five (5) Directors may at any time, and the Administrative Officer shall, on the requisition of five (5) Directors, convene a meeting of the Board.
- (b) Subject to this Constitution questions arising at any meeting of the Board shall be decided by a majority of votes and a determination of a majority of Directors shall for all purposes be deemed a determination of the Board. All Directors shall have one (1) vote on any question. The Chairman shall have a casting vote where voting is equal. The Administrative Officer is not entitled to vote.
- (c) A resolution in writing signed or assented to by telegram, cablegram, radiogram, facsimile, telex or other form of visible or other electronic communication by all the Directors for the time being present in Australia shall be as valid and effectual as if it had been passed at a meeting of directors duly convened and held. Any such resolution may consist of several documents in like form each signed by one or more of the directors.
- (d) Without limiting the power of the Board to regulate their meetings as they think fit, a meeting of Board may be held where one or more of the Directors is not physically present at the meeting, provided that:
 - (i) all persons participating in the meeting are able to communicate with each other effectively simultaneously and instantaneously whether by means of telephone or other form of communication;
 - (ii) notice of the meeting is given to all the directors entitled to notice in accordance with the usual procedures agreed upon or laid down from time to time by the Board and such notice specifies that Directors are not required to be present in person;
 - (iii) in the event that a failure in communications prevents condition (i) from being satisfied by that number of Directors which constitutes a quorum, and none of such Directors are present at the place where the meeting is deemed by virtue of the further provisions of this clause to be held then the meeting shall be suspended until condition (i) is satisfied again. If such condition is not satisfied within 15 minutes from the interruption the meeting shall be deemed to have terminated;
 - (iv) any meeting held where one or more of the Directors is not physically present shall be deemed to be held at the place specified in the notice

of meeting provided a Director is there present and if no Director is there present the meeting shall be deemed to be held at the place where the Chairman of the meeting is located.

- (e) At meetings of the Board the number of Directors whose presence is required to constitute a quorum is four (4), which number must include at least three (3) Elected Directors.
- (f) Unless all Directors agree to hold a meeting at shorter notice (which agreement shall be sufficiently evidenced by their presence) not less than fourteen (14) days written notice of the meeting of the Board shall be given to each Director. The agenda shall be forwarded to each Director not less than seven (7) days prior to such meeting.

28. DIRECTORS' INTERESTS

- (a) A Director is disqualified by holding any place of profit or position of employment in KAL, any State Association or in any company or incorporated association in which KAL is a shareholder or otherwise interested or from contracting with KAL either as vendor, purchaser or otherwise except with express resolution of approval of the Board. Any such contract or any contract or arrangement entered into by or on behalf of KAL in which any Director is in any way interested will be voided for such reason.
- (b) The nature of the interest of such Director must be declared by the Director at the meeting of the Board at which the contract or arrangement is first taken into consideration if the interest then exists or in any other case at the first meeting of the Board after the acquisition of the interest. If a Director becomes interested in a contract or arrangement after it is made or entered into the declaration of the interest must be made at the first meeting of the Board held after the Director becomes so interested.
- (c) A general notice that a Director is a member of any specified firm or company and is to be regarded as interested in all transactions with that firm or company is sufficient declaration under **clause 28(a)** as regards such Director and the said transactions. After such general notice it is not necessary for such Director to give a special notice relating to any particular transaction with that firm or company.
- (d) It is the duty of the Administrative Officer to record in the minutes any declaration made or any general notice as aforesaid given by a Director in accordance with **clause 28(a)** and **28(c)**.
- (e) A Director, notwithstanding the interest, may be counted in the quorum present at any meeting but cannot vote in respect of any contract or arrangement in which the Director is interested. If the Director votes, the vote shall not be counted.

29. ADMINISTRATIVE OFFICER

- (a) The Administrative Officer shall be appointed by the Board for such term and on such conditions as it thinks fit.

- (b) The Administrative Officer shall act as secretary of KAL and shall administer and manage KAL in accordance with this Constitution.
- (c) The Administrative Officer shall:
 - (i) as far as is practicable attend all Board meetings and General Meetings; and
 - (ii) prepare the agenda for all Board meetings and General Meetings; and record and prepare minutes of the proceedings of all meetings of the Board and KAL, and shall use his best endeavours to distribute those minutes to State Associations promptly from the date of the meeting.

30. ANNUAL GENERAL MEETING

An Annual General Meeting of KAL shall be held in accordance with the provisions of the Act and on a date and at a venue to be determined by the Board. All General Meetings other than the Annual General Meeting shall be Special General Meetings and shall be held in accordance with this Constitution.

31. NOTICE OF GENERAL MEETING

- (a) At least twenty-one (21) days' notice of a General Meeting shall be given to Affiliated Clubs and the State Associations, together with:
 - (i) any notice of motion received from any Member entitled to vote at General Meetings of the Company;
 - (ii) the agenda for the meeting; and
 - (iii) to the State Associations only, forms of authority in blank for proxy votes.
- (b) A notice of a General Meeting shall specify the place and day and hour of meeting and shall state the business to be transacted at the meeting.
- (c) The business to be transacted at the Annual General Meeting includes the consideration of accounts and the reports of the Board and auditors, the election of the President and Elected Directors in the place of those retiring and the appointment, and fixing of the remuneration, of the auditors.
- (d) When it is proposed to pass a special resolution, twenty-one (21) clear days notice and in any other case fourteen (14) clear days notice, specifying the place and day and hour of meeting, and in the case of special business the general nature of that business shall be given to those Members set out under **clause 31**
- (e) Notice of every General Meeting shall be given to every Affiliated Club, State Association and each Director at the address appearing in the Register kept by KAL.
- (f) No other person shall be automatically entitled as of right to receive notices of General Meetings.

32. BUSINESS

- (a) All business that is transacted at a General Meeting, and also all that is transacted at an Annual General Meeting, with the exception of the consideration of the accounts, balance sheets, the reports of the Board and auditors, and the election of the President and Elected Directors and of the auditors (if any) in the place of those retiring under this Constitution or otherwise, shall be special business.
- (b) No business other than that stated on the notice shall be transacted at that meeting.

33. NOTICES OF MOTION

- (a) Members entitled to vote at General Meetings of the Company may submit notices of motion for inclusion as special business at a General Meeting where the subject of such notices of motion relate to a matter which is expressed in this Constitution to be a right or power of the Members in General Meeting. Where the subject of a notice of motion relates to a matter which is not expressly stated in this Constitution to be a right or power of the Members in General Meeting, it will not be considered a valid notice of motion and will not be included as special business at a General Meeting. Notices of motion must be submitted in writing to the Administrative Officer not less than forty-two (42) days (excluding receiving date and meeting date) prior to the General Meeting.
- (b) A motion of which due notice has been given, if unsuccessful, cannot be resubmitted, nor may any other motion having a similar effect be moved at a subsequent General Meeting for a period of twelve (12) months.

34. SPECIAL GENERAL MEETINGS

Special General Meetings may be convened by a resolution passed by a majority of seventy five per cent (75%) of the Board or on the requisition of fifty per cent (50%) of State Associations.

35. PROCEEDINGS AT GENERAL MEETINGS

- (a) No business shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. A quorum for General Meetings of KAL shall be four (4) State Associations represented by their State Delegates.
- (b) If within half an hour from the time appointed for the meeting a quorum is not present the meeting shall be adjourned until the same day in the next week at the same time and place or to such other day and at such other time and place as the President may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the meeting will lapse.
- (c) The President shall, subject to this Constitution, preside as chairman at every General Meeting of KAL.

- (i) The President may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (ii) When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Except as provided in this **clause 35(c)(ii)** it shall not be necessary to give any notice of an adjournment or the business to be transacted at any adjourned meeting.
- (iii) At any meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:
 - (A) by the President; or
 - (B) by four (4) State Delegates on behalf of their State Associations.
- (iv) Unless a poll is so demanded a declaration by the President that a resolution has on a show of hands been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the book containing the minutes of the proceedings of KAL shall be conclusive evidence of the fact without proof of the number of the votes recorded in favour of or against the resolution.
- (v) If a poll is duly demanded it shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the President directs and the result of the poll shall be the resolution of the meeting at which the poll was demanded.

36. VOTING AT GENERAL MEETINGS

- (a) Each State Association shall have one (1) vote at General Meetings which, subject to this Constitution, shall be exercised by its State Delegate.
- (b) No other Member is entitled to vote.
- (c) Where voting at General Meetings is equal the President may exercise a casting vote.

37. PROXY VOTING

- (a) Proxy voting shall be permitted at all General Meetings provided an approved and executed proxy form is lodged with the Administrative Officer at or before the commencement of the meeting. No Member entitled to vote shall exercise more than one (1) proxy vote at any one (1) time.
- (b) The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll. A Director shall be entitled to instruct his

proxy to vote in favour of or against any proposed resolutions. Unless otherwise instructed the proxy may vote as the proxy thinks fit.

38. DELEGATIONS

- (a) The Board may by instrument in writing create or establish or appoint from among its own members or of from the Members or from other selected personnel as occasion may require, special committees, sub-committees, boards or individual officers and consultants to carry out such duties and functions and with such powers as the Board determines.
- (b) The Board may in the establishing instrument delegate such functions as are specified in the instrument, other than:
 - (i) this power of delegation; and
 - (ii) a function imposed on the Board or the Administrative Officer by the Act, or any other law, or this Constitution or by resolution of KAL in General Meeting.
- (c) A function, the exercise of which has been delegated under this clause, may whilst the delegation remain unrevoked, be exercised from time to time in accordance with the terms of the delegation.
- (d) A delegation under this clause may be made subject to such conditions or limitations as to the exercise of any function or at the time or circumstances as may be specified in the delegation.
- (e) The Board may by instrument in writing, revoke wholly or in part any delegation made under this clause.

39. REGULATIONS

- (a) The Board may formulate, issue, adopt, interpret and amend such Regulations for the proper advancement, encouragement, management and administration of KAL, the advancement of the Objects and of Kiteboarding as it thinks necessary or desirable. Such Regulations must be consistent with the Constitution and any policy directives of the Board.
- (b) All Regulations made under this clause shall be binding on KAL, State Associations and all Members of KAL.
- (c) All clauses, rules, by-laws and regulations of KAL and of the body known as The Australian Kite Surfing Association in force at the date of the adoption of this Constitution insofar as such clauses, rules, by-laws and regulations are not inconsistent with, or have been replaced by, the Constitution, shall be deemed to be Regulations under this clause.
- (d) Amendments, alterations, interpretations or other changes to Regulations shall be advised to State Associations and other Members of KAL by means of Bulletins approved by Board and prepared and issued by the Administrative Officer. Bulletins are binding upon all Members.

40. RECORDS AND ACCOUNTS

- (a) The Administrative Officer shall establish and maintain proper records and minutes concerning all transactions, business, meetings and dealings of KAL and the Board and shall produce these as appropriate at each Board or General Meeting.
- (b) Proper accounting and other records shall be kept in accordance with the Act. The books of account shall be kept in the care and control of the Administrative Officer.
- (c) KAL shall retain such records for seven years after the completion of the transactions or operations to which they relate.
- (d) The Board will submit to the Members at the Annual General Meeting the Statements of Account of KAL in accordance with this Constitution.
- (e) The Statements of Account when approved or adopted by an Annual General Meeting shall be conclusive except as regards any error discovered in them within three months after such approval or adoption.
- (f) The Administrative Officer shall cause to be sent to all persons entitled to receive notice of Annual General Meetings of KAL in accordance with this Constitution, a copy of the Statements of Account, the Board's report, the auditor's report and every other document required by law to be attached to the balance sheet.

41. AUDITOR

If required under the Act, a properly qualified auditor or auditors shall be appointed and the remuneration of such auditor or auditors fixed and duties regulated in accordance with the Act.

42. NOTICE

- (a) Notices may be given by the Administrative Officer to any Member by sending the notice by pre-paid post or facsimile transmission or where available, by electronic mail, to the Member's registered address or facsimile number or electronic mail address.
- (b) Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting the notice. Service of the notice is deemed to have been effected three (3) business days after posting.
- (c) Where a notice is sent by facsimile transmission, service of the notice shall be deemed to be effected upon receipt of a confirmation report confirming the facsimile was received at the facsimile number to which it was sent.
- (d) Where a notice is sent by electronic mail, service of the notice shall be deemed to be effected unless a message is received by the sender advising the electronic mail message was not received at the electronic mail address to which it was sent.

- (e) Notice of every General Meeting shall be given in the manner authorised in this Constitution.
- (f) Notice on and to Life Members or Individual Members shall be deemed given by notice being given in accordance with this Constitution to the Life member or the Individual Member's Affiliated Club.

43. SEAL

- (a) The Company may have a common seal.
- (b) If the Company has a common seal, the Seal shall only be used by authority of the Board and every document to which the seal is affixed shall be signed by two (2) Directors or one (1) Director and the Administrative Officer.
- (c) The Administrative Officer shall provide for safe custody of the Seal.
- (d) A Director may not sign a document to which the seal of KAL is fixed where the Director is interested in the contract or arrangement to which the document relates.

44. INDEMNITY

- (a) Every Director, officer, auditor, manager, employee or agent of KAL shall be indemnified out of the property and assets of KAL against any liability incurred by him in his capacity as Director, officer, auditor or agent in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application in relation to any such proceedings in which relief is under the Act granted to him by the Court.
- (b) KAL shall indemnify its Directors, officers, managers and employees against all damages and costs (including legal costs) for which any such Director, officer or employee may be or become liable to any third party in consequence of any act or omission except wilful misconduct:
 - (i) in the case of a Director or officer performed or made whilst acting on behalf of and with the authority, express or implied of KAL; and in the case of an employee, performed or made in the course of, and within the scope of his employment by KAL.

45. DISSOLUTION

KAL can only be dissolved by Special Resolution.