

Portsea Surf Life Saving Club Inc ABN 69 006 114 727
Financial Report for the Year Ended 30 April 2020

COMMITTEES' REPORT

Your committee members submit the financial report of Portsea Surf Lifesaving Club Inc for the financial year ended 30 April 2020

Committee Members

The names of committee members during the year and to the date of this report are:

Matthew Mahon	—	President
Andrew Hewitt	—	Vice President
Angelo Biviano	—	Treasurer
Robert Mellor	—	Secretary
Matthew Perrott	—	Club Captain
Hamish McKendrick	—	Equipment Director
Christopher Perrott	—	Lifesaving Director
Jessica Lamb	—	Education Director
Brett Croft	—	Junior Education Director
Nick Tissot	—	Competition Director
Jodie Madden	—	Special Events Director

Principal Activities

The principal activity of the association during the financial year was as a Surf Life Saving Club.

No significant changes in the nature of the association's activity occurred during the financial year.

Operating Results

The surplus of the association amounted to \$587,300 (2019: \$2,681,350)

Significant Changes in State of Affairs

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

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 April 2020 has been received and can be found on page 2.

Signed in accordance with a resolution of the members of the committee.



Matthew Mahon - President



Angelo Biviano - Treasurer

Dated this 2nd day of September 2020

Walker Wayland Advantage Audit Partnership

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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF PORTSEA SURF LIFE SAVING CLUB INC**

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* and, as auditor for the audit of Portsea Surf Life Saving Club Inc for the year ended 30 April 2020, I declare that, to the best of my knowledge and belief, there have been:

- (i) No contraventions of the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit



**WALKER WAYLAND ADVANTAGE AUDIT PARTNERSHIP
CHARTERED ACCOUNTANTS**



**AWAIS UR REHMAN
PARTNER**

Dated in Melbourne on this 2nd day of September 2020.

Portsea Surf Life Saving Club Inc

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**STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2020**

	Note	2020	2019
		\$	\$
Revenue	2	2,316,640	3,333,853
Administration Expenses	3	(360,522)	(128,385)
Clubhouse Opening & Functions		(42,966)	(56,675)
Competition Expenses		(28,694)	(48,792)
Depreciation		(357,794)	(81,403)
Donations		(10,000)	-
Education Expenses	3	(132,500)	(134,488)
Event Swimming	3	(100,472)	(76,002)
Interest Expense		(40,248)	(2,301)
Membership Expenses	3	(62,284)	(55,573)
Other Expenses		(11,932)	(19,017)
Restaurant Expenses		(495,372)	-
Social function Expenses	3	(86,556)	(49,678)
		<u>(1,729,340)</u>	<u>(652,503)</u>
Surplus before income tax		587,300	2,681,350
Income tax benefit		-	-
Surplus for the year		<u>587,300</u>	<u>2,681,350</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>587,300</u>	<u>2,681,350</u>
Surplus attributable to members of the entity		<u>587,300</u>	<u>2,681,350</u>
Total comprehensive income attribute to members of the entity		<u>587,300</u>	<u>2,681,350</u>

Portsea Surf Life Saving Club Inc

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STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	1,726,292	1,716,786
Trade and other receivables	6	47,397	744,493
Inventories	4	35,999	17,484
TOTAL CURRENT ASSETS		1,809,688	2,478,763
NON-CURRENT ASSETS			
Property, plant and equipment	5	9,138,165	8,564,410
TOTAL NON-CURRENT ASSETS		9,138,165	8,564,410
TOTAL ASSETS		10,947,853	11,043,173
CURRENT LIABILITIES			
Trade and other payables	7	108,617	788,936
Loan	9	50,000	--
TOTAL CURRENT LIABILITIES		158,617	788,936
NON-CURRENT LIABILITIES			
Loan	9	700,000	752,301
TOTAL NON – CURRENT LIABILITIES		700,000	752,301
TOTAL LIABILITIES		858,617	1,541,237
NET ASSETS		10,089,236	9,501,936
EQUITY			
Retained Earnings		10,089,236	8,886,562
Reserves	12	-	615,374
TOTAL EQUITY		10,089,236	9,501,936

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STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 APRIL 2020

	Retained Earnings	Building Reserve Fund	Naphthine Reserve Fund	Total
	\$	\$	\$	\$
Balance at 1 May 2018	3,075,762	3,561,590	183,234	6,820,586
Surplus attributable to the association	2,681,350	-	-	2,681,350
Transfer to/from Reserves	3,129,450	(2,946,216)	(183,234)	-
Balance at 30 April 2019	8,886,562	615,374	-	9,501,936
Surplus attributable to the association	587,300	-	-	587,300
Transfer to/from Reserves	615,374	(615,374)	-	-
Balance at 30 April 2020	10,089,236	-	-	10,089,236

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 APRIL 2020

	Note	2020	2019
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		1,530,864	698,189
Receipts from Help us Rebuild Appeal & Grants		783,804	1,953,886
Payments to suppliers and employees		(1,375,586)	(596,607)
Interest received		1,972	16,336
Net cash provided by operating activities	8(b)	941,054	2,071,804
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(931,548)	(5,640,311)
Net cash used in investing activities		(931,548)	(5,640,311)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from other borrowings		-	750,000
Net cash used in financing activities		-	750,000
Net increase/(decrease) in cash held		9,506	(2,818,507)
Cash at beginning of financial year		1,716,786	4,535,293
Cash at the end of financial year	8(a)	1,726,292	1,716,786

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2020

The financial report is for Portsea Surf Life Saving Club Inc as an individual entity. Portsea Surf Life Saving Club Inc is an association incorporated in Victoria and operating pursuant to the Associations Incorporation Reform Act 2012.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

Portsea Surf Lifesaving Club Inc applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a. Revenue

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

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

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

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

Portsea Surf Life Saving Club Inc receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of comprehensive income.

Donations and bequests are recognised as revenue when received.

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

b. Income Tax exemption

As a Public Benevolent Institution, the entity is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

c. Inventories

Inventories are measured at the lower of cost and net realisable value.

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

c. Property, Plant and Equipment

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

Property, Plant and Equipment

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

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

Plant and equipment that have been contributed at no cost or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the association commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Fixture & Fittings	14%
Plant and equipment	33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

d. Financial Instruments

Initial Recognition and measurement

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

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component.

Classification and subsequent measurement

Financial Liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3 :*Business Combinations* applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Association initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the grouping is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Association's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Association no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which the Association elected to classify under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The Association recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g. amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Association uses the following approaches to impairment, as applicable under AASB 9 *Financial Instruments* :

- the simplified approach;

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables or contract assets that result from transactions that are within the scope of AASB 15: *Revenue from Contracts with Customers*, and which do not contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

e. Impairment of Assets

At each reporting date, the association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

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

Where it is not possible to estimate the recoverable amount of an assets class, the association estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

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

f. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

g. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

h. Income Tax

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

i. Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

j. Comparative Figures

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

k. Critical Accounting Estimates and Judgments

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The Committee evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the association.

Key Estimates

Impairment

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

l. New and Amended Accounting Policies Adopted by the Entity

Initial application of AASB 16: Leases

The Entity has adopted AASB 16: Leases with a date of initial application of 1 May 2019. As a result, the Entity has changed its accounting policy leases recognition as detailed in this note.

The directors assessed that there is no material difference in the results of the Entity between applying AASB 117 and AASB 16. The entity only has a lease of clubhouse land which is considered a peppercorn lease (lease significantly below-market terms and conditions principally to enable the entity to further its objectives) and the entity has not elected to measure this lease at fair value, the lease cost is considered a low-value lease and as such the entity has elected not to apply AASB 16 to this lease.

Initial application of AASB 15 and AASB 1058

The Entity has applied AASB 15: Revenue from Contracts with Customers and AASB 1058: Income of Not-for-Profit Entities using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: Revenue and AASB 1004: Contributions.

The Entity has elected to apply AASB 1058 retrospectively only to contracts that are not completed contracts at the date of initial application.

The directors assessed that there is no material difference in the results of the Entity on the application of these standards.

m. New Accounting Standards for Application in Future Periods

A number of Australian Accounting Standards and Interpretations are in issue but are not effective for the current year end. The reported results and position of the association will not change on adoption of these pronouncements as they do not result in any changes to the association's existing accounting policies. Adoption will, however, result in changes to information currently disclosed in the financial statements. The association does not intend to adopt any of these pronouncements before their effective dates.

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NOTE 2: REVENUE

	2020	2019
	\$	\$
Restaurant revenue	420,044	-
Grants received	50,573	1,639,550
Camp revenue	99,786	90,331
Donations received	843,165	938,663
Fundraisers	141,971	90,500
Pier to Pérignon	81,052	81,231
Swim Classic	138,387	127,999
Membership Subscriptions	302,656	169,616
Nippers Program	102,594	112,587
Other Income	136,412	83,376
Total Revenue and Other Income	2,316,640	3,333,853

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	2020	2019
Note 3: EXPENSES	\$	\$
<i>Administration and General Expenses:</i>		
Administration – Bookkeeping	17,271	9,852
Administration Services	63,693	24,941
Auditors Remuneration	6,927	5,884
Bank Fees	557	3,762
Borrowing Fees	6,989	10,034
Cleaning Club	26,369	0
Club Online Fees	14,116	24,973
Consulting Expense	25,600	1,636
Doubtful Debt	-	99
Hire of Buggy & Bus	12,965	-
Insurance Premiums	27,241	177
Maintenance – Repair Clubhouse	33,094	14,321
Power & Gas	32,503	1,815
Printing, Stationery & Postage	31,325	28,696
Salary & Wage - Facility	37,534	-
Security	8,550	789
Subscriptions & Licenses	8,573	0
Telephone & Internet	7,215	1,596
Power & Gas	17,271	9,852
Printing, Stationery & Postage	63,693	24,941
Salary & Wage - Facility	6,927	5,884
	360,522	128,385
<i>Education Expenses:</i>		
Bronze Camp	40,892	46,653
Nippers, Cadet Camp & Silvers Camp	91,608	87,835
	132,500	134,488
<i>Event Swimming:</i>		
Pier to Pérignon	37,421	35,528
Swim Classic	63,051	40,474
	100,472	76,002
<i>Membership Expenses:</i>		
-Purchase - Bathers	13,364	13,869
-IRB and 4WD fuel	3,673	3,908
-Patrols, Lifesaving & Uniforms	41,668	31,869
-IRB Repairs	3,579	5,927
	62,284	55,573

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	2020	2019
	\$	\$
Note 3: EXPENSES		
<i>Social function Expenses:</i>		
-Social Functions & Events	77,568	49,678
-Bridge Expense	5,520	-
-Yoga Expense	3,468	-
	<u>86,556</u>	<u>49,678</u>

NOTE 4: INVENTORIES

	2020	2019
	\$	\$
<i>Current</i>		
Portsea Clothing Products	13,492	17,484
Portsea Food & Beverage	22,507	-
	<u>35,999</u>	<u>17,484</u>

NOTE 5: PROPERTY, PLANT AND EQUIPMENT

	2020	2019
	\$	\$
CLUBHOUSE REDEVELOPMENT		
Building Redevelopment – At Cost	9,025,245	8,418,596
Less accumulated depreciation	(225,631)	-
Furniture and Fittings	218,708	72,253
Less Accumulated depreciation	(31,244)	-
Total Buildings	<u>8,987,078</u>	<u>8,490,849</u>

PLANT AND EQUIPMENT

Plant– At Cost	569,964	486,980
Less Accumulated depreciation	(514,432)	(486,980)
Kitchen Equipment- At Cost	35,364	-
Less Accumulated depreciation	(5,052)	-
Rescue Equipment-At Cost	381,713	321,616
Less Accumulated depreciation	(316,469)	(249,769)
Total Plant and Equipment	<u>151,088</u>	<u>71,847</u>
Total buildings, plant and equipment	<u>9,138,166</u>	<u>8,562,696</u>

Movements in Carrying Amounts

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

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	Clubhouse Redevelopment \$	Plant & Equipment \$	Total \$
2019			
Balance at the beginning of the year	2,533,390	78,646	2,612,036
Building Redevelopment	5,957,459	-	6,033,492
Additions at cost		76,318	76,318
Depreciation expense		(81,403)	(81,403)
Carrying amount at end of year	<u>8,490,849</u>	<u>73,561</u>	<u>8,564,410</u>
2020			
Balance at the beginning of the year	8,490,849	73,561	8,564,410
Building Redevelopment	753,104		753,104
Additions at cost		178,445	178,445
Depreciation expense	(256,875)	(100,919)	(357,794)
Carrying amount at end of year	<u><u>8,987,078</u></u>	<u><u>151,087</u></u>	<u><u>9,138,165</u></u>

NOTE 6: TRADE AND OTHER RECEIVABLES

	Note	2020 \$	2019 \$
Current			
Goods & Services Tax		11,797	94,416
Trade Receivables		1,953	576,250
Other Receivables		33,647	45,670
Prepayments		-	28,157
		<u>47,397</u>	<u>744,493</u>

Current trade debtors are non-interest bearing and generally are receivable within 30 days.

NOTE 7: TRADE AND OTHER PAYABLES

	Note	2020 \$	2019 \$
Current			
Trade Creditors & Accruals		106,469	788,926
Loan – Angelo Biviano		-	10
PAYGW Payable		1,885	-
Superannuation Payable		263	-
		<u>108,617</u>	<u>788,936</u>

Portsea Surf Life Saving Club Inc

ABN 69 006114 727

2020 **2019**

\$ **\$**

NOTE 8 : CASH FLOW INFORMATION

a. Reconciliation of Cash

Cash at Bank – operating	1,413,282	1,067,875
Building Reserve Fund	313,439	651,374
Subtotal	<u>1,726,721</u>	<u>1,719,249</u>
 Credit Card	 (428)	 (2,463)
	<u>1,726,292</u>	<u>1,716,786</u>

b. Reconciliation of Cashflow from Operations with Profit

Profit	587,300	2,681,350
Noncash flows		
Depreciation and amortisation	357,794	81,403
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	697,096	(693,599)
Increase/(decrease) in trade and other payables	(682,621)	11,260
(Increase)/decrease in inventories	<u>(18,515)</u>	<u>(8,610)</u>
	<u>941,054</u>	<u>2,071,804</u>

NOTE 9: LOANS

Terms of Loan agreement

The Association has a loan agreement with the Portsea Lifesaving Club Foundation and has fully drawn the facility limit of \$750,000 in 2020 (2019: \$750,000). A fixed interest rate of 4% per annum has been set for the term of the loan. The Association has agreed to fully repay the loan by 30 June 2025.

2020 **2019**

\$ **\$**

Current

Portsea Lifesaving Club Foundation Loan	50,000	-
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Non-Current

Portsea Lifesaving Club Foundation Loan	700,000	752,301
	<u>750,000</u>	<u>752,301</u>

Portsea Surf Life Saving Club Inc

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NOTE 10: FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

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

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2020 \$	2019 \$
Financial assets			
Financial assets at amortised cost			
Cash and cash equivalents	8	1,726,292	1,716,786
Trade and other receivables	6	47,397	716,336
TOTAL FINANCIAL ASSETS		1,773,689	2,433,122
Financial liabilities			
Financial liabilities at amortised cost:			
- trade and other payables	7	108,617	788,936
- Portsea Lifesaving Club Foundation Loan	9	750,000	752,301
TOTAL FINANCIAL LIABILITIES		858,617	1,541,227

NOTE 11: SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There are no events after the statement of financial position date that would affect the financial report .

NOTE 12: RESERVES

Building Reserve Fund

The Building Reserve Fund are donations or grants by government and council departments given to the Portsea Surf Life Saving Club. Funds were donated or granted for the purpose of clubhouse redevelopment.

NOTE 13: RELATED PARTY TRANSACTIONS

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

(a) Key Management Personnel

Any person/s having authority and responsibility for planning, directing and controlling the activities of the association, directly or indirectly, including its committee members, is considered key management personnel.

For the 2019 & 2020 year, there are no key management personnel who received compensation.

(b) Other Related Parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

For the 2019 and the 2020 financial year there are no related parties who received payments

NOTE 14: CONTINGENT LIABILITIES & ASSETS

There are no contingent liabilities or assets at 30 April 2020.

NOTE 15: COMMITMENT

The club redevelopment has been completed and there is no further commitment as at the 30th April 2020.

(2019: Commitment to the rebuild works up to a total of \$ 8,987,078 of which \$ 753,104 had been expended at 30th April 2019)

NOTE 16: ASSOCIATION DETAILS

The registered office of the association is:

Portsea Surf Life Saving Club Inc
C/of Chambers & Partners
Level 4, 437 St Kilda Road
Melbourne Victoria 3004

The principal place of business is:

Portsea Surf Life Saving Club Inc
Mt Levy Beach
Back Beach Road
Portsea, Victoria, 3944

Portsea Surf Life Saving Club Inc

ABN 69 006114 727


COMMITTEE MEMBERS' DECLARATION

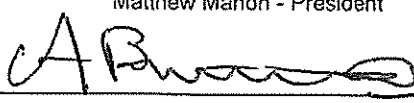
In accordance with a resolution of the committee, the members of the committee declare that in their opinion:

- (a) there are reasonable grounds to believe that the Association can pay all of its debts, as and when they become due and payable; and
- (b) the financial statements and notes present a true and fair view of the financial position of the Association as at 30 April 2020 and its performance for the year ended on that date in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Accounting Standards Board as applicable to the entity and the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

This declaration is signed in accordance with subs 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.

This statement is signed for and on behalf of the committee by:

President 
Matthew Mahon - President

Treasurer 
Angelo Biviano - Treasurer

Dated this 2nd day of September 2020

Walker Wayland Advantage Audit Partnership

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PORTSEA SURF LIFESAVING CLUB INC

We have audited the accompanying financial report of Portsea Surf Lifesaving Club Incorporated, which comprises the statement of financial position as at 30 April 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by the Committee.

In our opinion, the accompanying financial report of the entity is in accordance with Division 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 (the ACNC Act), including:

- (i) giving a true and fair view of the registered entity's financial position as at 30 April 2020 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PORTSEA SURF LIFESAVING CLUB INC (Continued)

Committee's Responsibility for the Financial Report

The committee is responsible for the preparation of the financial report, which gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the committee and management determines is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Other Information

The committee are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 April 2020 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PORTSEA SURF LIFESAVING CLUB INC (Continued)**

We identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**WALKER WAYLAND ADVANTAGE AUDIT PARTNERSHIP
CHARTERED ACCOUNTANTS**



**AWAIS UR REHMAN
PARTNER**

Dated in Melbourne on this 2nd day of September 2020.