

LIFE SAVING VICTORIA LIMITED
ACN 102 927 364

30 JUNE 2014
ANNUAL FINANCIAL REPORT

LIFE SAVING VICTORIA LIMITED
ACN 102 927 364

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DIRECTORS REPORT (Cont)

This Report is made pursuant to the Corporations Act 2001

COMPANY PARTICULARS

The registered office of the Company is:

Life Saving Victoria Limited
200 The Boulevard
Port Melbourne VIC 3207

Life Saving Victoria Limited is a company limited by guarantee, incorporated in Australia and having its principal place of business at the address listed above.

MEMBERS LIABILITY

The Company is limited by guarantee. If the Company is wound up, the Constitution states that each member, of which there are approximately 30,000, is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the Company.

The directors present their report together with the financial statements of Life Saving Victoria Limited for the year ended 30 June 2014 and the Auditor's Report thereon.

DIRECTORS

The directors in office at any time during the year and to the date of this report are :-

Thomas Mollenkopf President
Norman Farmer (appointed May 2014)
Nicolas Hall (resigned March 2014)
Allan Holmes
Catherine McCraith
Darren McLeod
David Rylance (appointed November 2013)
David Schultz
Vincent Sheehan (appointed August 2014)
Jeannene Stewart (appointed October 2013)
Stuart Wall (resigned September 2013)
Peter Williams

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

Dr Michael Kennedy, OAM is the Company Secretary.

PRINCIPAL ACTIVITIES

The principal activities of Life Saving Victoria are Lifesaving Services and Water Safety and Education and Training.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Company.

REVIEW OF OPERATIONS AND RESULTS

2013-14 was a significant year for Life Saving Victoria (LSV). From a facilities perspective construction of the Carrum and Fairhaven clubhouses was completed and work started on a major asset for the Mount Martha LSC. The commercial operations were boosted by the securing of contracts to provide training services to the YMCA, and first aid instruction to the Department of Human Services staff. Both were on an exclusive basis.

Whilst continuing to provide traditional services and programs it was pleasing to see a record new membership total in excess of 30,000. Improvements to the on-line delivery of commercial and subsequently member training will ensure longer term support for the development of these very committed volunteers.

Overall operating results for LSV were broadly consistent with the prior year except for the impact of changes to funding available for training activities through the Victorian Training Guarantee (VTG). During the year changes to VTG qualifying rules for funding resulted in no income being received from this source in 2013-14 (\$1,586,783 in 2012-13). Management initiated a series of cost savings measures to compensate for this unexpected reduction. Essential volunteer training operations and associated administrative tasks continued to be undertaken however and the loss of funding was not able to be entirely compensated for.

Notwithstanding the VTG impact, LSV's operating position, after accounting for distributions from the Surf Life Saving Foundation (SLSF), was strong and allowed for funds to be allocated for investments for future life saving needs. SLSF distributions totalled \$453,740 (\$472,006 in 2012-13). The amount invested during the year in the SLSF "Surf Life Saving Rescue Fund Trust" was \$477,606. This is reflected as an expense in LSV's financial statements which reflects the terms of the Trust Deed.

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DIRECTORS REPORT (Cont)

The full financial year result for LSV was a loss of \$463,938 (surplus of \$225,621 in 2012-13). This result includes amortisation costs for LSV's Headquarters and education centre of \$322,689 (\$322,689 in 2012-13).

As highlighted previously LSV continues to benefit from significant grant funding and various State and Commonwealth agencies. In 2013-14 these grants represented 43% of total income. The major element was funding provided under the Victorian Government's Play it Safe by the Water Program totalling \$2,178,418 for a broad range of water safety programs. In 2013-14 the Victorian Government again made available \$2.0 million for Life Saving Club upgrades. The major projects facilitated in 2013-14 were construction of a new clubhouse for Fairhaven and upgrade for Torquay. Further projects are scheduled for 2014-15 and thereafter.

Key grants for direct club assistance comprised

- Life Saving Club Upgrades \$1,000,000
- Volunteer Emergency Services Equipment Program Grants \$600,346
- Community Support Emergency Services Program Grants \$41,291
- Club Administration Support Grants \$128,500
- Special Club Administration Assistance Grants \$305,000
- Club Risk Management Assistance Grants \$165,340

The State Government continues to recognise the need for provision of specialist water safety programs and education within multicultural communities and \$324,000 was made available for this purpose in 2013-14.

DIVIDENDS

The Memorandum of Association of the chief entity provides that no income or property of the entity, shall be paid or transferred directly or indirectly by way of dividends to the members. Accordingly no dividend has been declared or paid since incorporation.

SUBSEQUENT EVENTS

Since the end of the financial year and the date of this report no significant transaction occurred.

LIKELY DEVELOPMENTS

There are no likely developments in the operations of the economic entity subsequent to this financial year, that on reasonable grounds, the directors wish to disclose, as it would be likely to result in unreasonable prejudice to the economic entity.

INFORMATION ON DIRECTORS

Mr Tom Mollenkopf LL.B. B.Juris, MBA, FAICD, FGIA
LSV President and Board Chairman

Tom is a Company Director and Independent Advisor. He is a Senior Associate of Aither and a Director of WaterAid Australia and Surf Life Saving Australia. He is a former Chair of the Water Industry Superannuation Fund and held Board roles with Western Water and Water Australia Solutions Ltd.

Tom was CEO of the Australian Water Association from 2007 until 2013. Prior to that he was Deputy Executive Director of the International Water Association based in London. From 1995 to 2005 he was a General Manager at South East Water in Melbourne. Tom's background is in law, first in private practice and then as corporate counsel.

In addition to being a Life Member of Point Leo SLSC (where he maintains his lifesaving proficiency), Tom chairs the Gary Tierney Foundation.

Appointed	November 2012
Occupation	Company Director
Meetings	10 - 10

Mr Norman Farmer ESM Grad Dip Mgmt AGSM MRMIA

Norm was a General Manager (retired 30 June 2014) with Surf Life Saving Australia - SLSA (2007 to 2014) having previously been CEO of RLSSA Victoria Branch (1998 to 2005) and joint CEO of Life Saving Victoria (2003 to 2005).

Norm is a volunteer Chair of the Business Commission of the International Life Saving Federation (ILS) and volunteer Chair of the SLSA Research Advisory Committee. Norm is a Life Governor of the Mordialloc Life Saving Club and a member of the Frankston Life Saving Club

Appointed	March 2014
Occupation	General Manager
Meetings	3 - 3

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DIRECTORS REPORT (Cont)

Mr Nicolas Hall

Nic currently works within local government in the aquatic and recreation industry. In his current role, he is the manager responsible for the operation of a number of community aquatic and leisure centres.

He has been involved in the provision of aquatic education, from beginner level 'learn to swim' through to the training of professional pool lifeguards, for almost four decades.

During this time he has held positions with the Community Aquatic Education Council at Life Saving Victoria and with its predecessor the Community Education Council of the Royal Life Saving Society, Victoria Branch where he continues as a member of the Board of Directors. Nic is a Life Member of Life Saving Victoria.

Appointed	August 2006 – Resigned March 2014
Occupation	Aquatics Manager
Meetings	8 - 8

Mr Allan Holmes

Allan is a retired businessman. He is a former Victorian State Manager and Victorian Sales Manager of Auspine Limited and Wills Timber.

Allan has had an involvement in lifesaving spanning 47 years. He has been a member of the Apollo Bay Surf Life Saving Club for the past 45 years, during this period he has held many Executive Committee positions including President, Treasurer and Secretary.

Also during this period he has held many Committee positions with Surf Life Saving Victoria and now Life Saving Victoria. For his commitment Allan has been awarded with Life Membership of Life Saving Victoria and the Apollo Bay Surf Life Saving Club.

Appointed	September 2012
Occupation	Retired
Meetings	10 - 10

Ms Catherine McCraith B.App Sci (Phys Ed), LL.B (Hons)

Catherine is a mother of 3 and has a strong personal and close family association with lifesaving in Victoria. Catherine has worked in sport management, recruitment and is currently working in special education with the plan to eventually finish her Masters in education. Catherine has been as member of various clubs including Rosebud, Gunnamatta, Mentone and Point Leo. For the last decade Catherine was LSV's Membership Protection Officer.

Appointed	June 2013
Occupation	Teacher
Meetings	10 - 10

Mr Darren McLeod

Darren is the Managing Director of a SME in the electronics industry which he has been part of for more than 30 years, and is a member of the Australian Institute of Emergency Services.

Darren has been actively involved in lifesaving since the early 80's where he joined Point Leo SLSC. He is the current President of Seaford LSV where he actively patrols.

In addition to being a Life Member of LSV, Darren is a Life Member of Hampton LSC. Darren holds a number of committee positions with LSV including the Chair of LSV's Honours and Awards Committee

Appointed	April 2013
Occupation	Business Manager
Meetings	-9 - 10

David Rylance

David is a Leading Firefighter with the Metropolitan Fire Brigade and has been a fire fighter for the past six years. Prior to this he worked for Bravis Climate Systems as Research and Development Technician for over 11 years. He is a Life Member of Elwood LSC and member of Williamstown S&LSC.

Appointed	November 2013
Occupation	Firefighter
Meetings	7 - 7

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DIRECTORS REPORT (Cont)

Mr David Schultz MIEAust, CPEng, GAICD

David is a Civil Engineer and holds a Company Director Diploma. He is an independent member of the Bass Coast Shire Council Audit Committee and a Non Executive Director of South Gippsland Water.

David has been actively involved with the Inverloch Surf Life Saving Club since it started in 1998, being a member of the first patrol and President of the club from 1999 until 2006.

Previously David held various executive roles with GHD Global including Practice Leader of the Management Consulting practice and Senior Project Director Middle East.

Appointed	April 2013
Occupation	Civil Engineer
Meetings	10 - 10

Vincent Sheehan

Vincent is a Partner with Ernst & Young in Assurance, where he specialises in providing financial accounting advice to a broad range of public and private sector clients. He is a Fellow of the Institute of Chartered Accountants in Australia.

Vincent is an active patrolling member and Nipper parent at both Lorne Surf Life Saving Club and Sandridge Life Saving Club and competes with Lorne. He is a former Treasurer of Lorne Surf Life Saving Club and has spent the last year on the Finance, Risk and Audit Committee.

Appointed	August 2014
Occupation	Chartered Accountant
Meetings	0 - 0

Jeannene Stewart

Jeannene held the position of Director Corporate Services for the Victorian State Emergency Service from 2008 until 2013 when she retired. Previously Jeannene was Senior Adviser to the Commonwealth Minister for Ageing. Prior to that she was the Funding and Retirement Living Manager for Aged and Community Care Victoria. Jeannene is a Certified Practising Accountant with more than 25 years' experience in senior management roles in the welfare, information technology, health and aged care sectors. She has also provided consulting services to the aged care industry.

Appointed	October 2013
Occupation	Retired Accountant
Meetings	7 - 7

Mr Stuart Wall

Appointed	February 2011 – Resigned September 2013
Occupation	Project Manager
Meetings	2 - 2

Peter Williams M.Sc, BEng(Mech), Dip Mech Eng.

Peter is a former executive manager with VicRoads and now provides technical assistance in the development and implementation of international development assistance projects. He has over 20 years experience in the delivery of international projects in Asia and the Middle East. His background is in environmental engineering having worked in the electricity industry and then as a consulting environmental engineer before moving into international project management.

Peter is a Life Member and former President of Anglesea SLSC and continues to patrol there. He is also a Trustee of the Anglesea SLSC Foundation.

Appointed	April 2013
Occupation	Retired
Meetings	8 - 10

Company Secretary :-

Dr Michael Kennedy OAM., DBA., B.Bus., FAICD., FCILT., FLGPRO

Michael is Chief Executive Officer of Mornington Peninsula Shire Council. He is a Director of Inner East Community Health Service and Chair of Frankston Mornington Peninsula Local Learning and Employment Network.

Prior to Michael's twenty years as a local government CEO he held senior positions in the shipping, transport, logistics and manufacturing sectors.

Michael was Life Saving Victoria's founding Chairman, and an Independent Director for six years.

DIRECTORS REPORT (Cont)

Meetings of Directors

During the financial year 10 meetings of Directors were held.

The number of meetings attended by each Director during the year is stated earlier in the report.

COMMITTEE MEMBERSHIPS

At 30 June 2014 the Company had a Finance, Risk and Audit Committee, Governance Committee and Honours and Awards Committee of the Board of Directors. Members acting on the Committees of the Board during the year were :-

Finance, Risk and Audit Committee

Dr Michael Kennedy OAM *(Chair), Neil Hough*, Garry Martin*. Neil Morarty OAM*, Vincent Sheehan and Dean Sibun*.

Honours and Awards Committee

Michael Martin AM *(Chair – part year)), Bree Ambry*, Andrew Barnes*, Genevieve Lehmann*, Darren McLeod (Chair part year), Dianne Montalto ESM*, Neil Morarty OAM*, Eloise Payne* and Belinda Porter*.

*= Non-Director

INDEMNIFICATION AND INSURANCE OF OFFICERS

Indemnification

The Company has agreed to indemnify the current and former directors against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors of the Company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company has agreed to indemnify the Chief Executive Officer for all liabilities to another person (other than the Company or a related body corporate) that may arise from their position in the Company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including legal fees.

Insurance premiums

Since the end of the previous financial year, the Company has paid insurance premiums of \$18,188 in respect of directors' and officers' liability and legal expenses insurance contracts, for current and former directors and officers through to the year ended 15 July 2014. Such insurance contracts insure persons who are or have been directors or officers of the Company against certain liabilities (subject to certain exclusions).

PROCEEDINGS ON BEHALF OF THE ENTITY

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

AUDITORS' INDEPENDENCE DECLARATION

The auditors' independence declaration is set out on page 29 and forms part of the Directors Report for the financial year 2014. This financial report is made with a resolution of the Directors.

Signed in accordance with a resolution of the Directors:



David Schultz
Director

23 September 2014
Melbourne,



Nigel Taylor ESM
Chief Executive Officer

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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
REVENUE			
Sales		729,478	729,109
Fees for Services		4,320,927	3,276,132
Grants for Clubs		2,356,256	3,758,538
Grants - other		3,469,656	3,993,358
Sponsorships		1,501,845	1,418,824
Surf Life Saving Foundation Distributions		453,740	472,006
Other Fundraising and Donations		92,458	69,590
Function Centre		508,855	535,763
Interest Income		250,808	275,074
Realised gain on sale of Assets		46,865	68,374
Other Revenue		74,355	71,540
TOTAL REVENUE		13,805,243	14,668,314
EXPENSES			
Cost of Sales		478,026	455,370
Life Saving Operations		1,468,273	1,336,324
Training and Education Programs		3,087,243	2,834,771
External Services		2,406,723	2,305,741
Grants Disbursements - Clubs		2,364,946	3,890,369
Grant Disbursements - Others		357,500	465,088
Fundraising		123,439	155,061
Lodgement - Surf Life Saving Foundation		477,606	36,000
Function Centre		461,589	476,637
Corporate Administration		2,232,352	1,808,009
Depreciation		602,163	589,342
Interest		-	-
Other Expenses		209,321	89,981
TOTAL EXPENSES		14,269,181	14,442,693
(LOSS)/SURPLUS FOR THE PERIOD		(463,938)	225,621
COMPREHENSIVE RESULT ATTRIBUTABLE TO THE MEMBERS		(463,938)	225,621

The accompanying notes form part of these financial statements

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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	2014 \$	2013 \$
ASSETS			
Cash and cash equivalents	3	1,199,598	1,992,234
Trade and other receivables	4	697,423	878,975
Financial assets	5	5,841,941	4,136,110
Inventories		137,136	128,426
TOTAL CURRENT ASSETS		<u>7,876,098</u>	<u>7,135,745</u>
NON-CURRENT ASSETS			
Property plant and equipment	6	4,743,911	5,000,160
Intangible asset – IT Development	7	126,550	-
TOTAL NON-CURRENT ASSETS		<u>4,870,461</u>	<u>5,000,160</u>
TOTAL ASSETS		<u>12,746,559</u>	<u>12,135,905</u>
LIABILITIES			
Trade and other payables	8	5,077,720	4,126,071
Short term provisions	9	752,428	650,735
TOTAL CURRENT LIABILITIES		<u>5,830,148</u>	<u>4,776,806</u>
NON-CURRENT LIABILITIES			
Long term provisions	9	77,052	55,802
TOTAL NON-CURRENT LIABILITIES		<u>77,052</u>	<u>55,802</u>
TOTAL LIABILITIES		<u>5,907,200</u>	<u>4,832,608</u>
NET ASSETS		<u>6,839,359</u>	<u>7,303,297</u>
EQUITY			
Retained surplus		6,839,359	7,303,297
TOTAL EQUITY		<u>6,839,359</u>	<u>7,303,297</u>

The accompanying notes form part of these financial statements

LIFE SAVING VICTORIA LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Retained Earnings
	2014
	\$
Balance at 1 July 2012	7,077,676
Surplus for the year	225,621
Balance at 30 June 2013	<u>7,303,297</u>
Loss for the year	(463,938)
Balance at 30 June 2014	<u><u>6,839,359</u></u>

The accompanying notes form part of these financial statements.

LIFE SAVING VICTORIA LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from sponsors, donors and customers		14,820,057	15,321,553
Cash paid to suppliers and employees		(13,732,072)	(14,281,892)
Interest received		250,808	275,074
Net cash provided by operating activities	11	<u>1,338,793</u>	<u>1,314,735</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment		(617,732)	(236,782)
Purchase of financial assets		(1,705,831)	(4,000,000)
Proceeds on disposal of property, plant & equipment		192,134	127,326
Net cash used in investing activities		<u>(2,131,429)</u>	<u>(4,109,456)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		-	-
Net cash provided by financing activities		<u>-</u>	<u>-</u>
Net (decrease)/increase in cash & cash equivalents held		(792,636)	(2,794,721)
Cash and cash equivalents at the beginning of the financial year		1,992,234	4,786,955
Cash and cash equivalents at the end of the financial year	3	<u>1,199,598</u>	<u>1,992,234</u>

The Statement of Cash Flows is to be read in conjunction with the notes to the financial statements set out on pages 9 to 25.

LIFE SAVING VICTORIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board, and the Corporations Act 2001.

The financial report covers Life Saving Victoria Limited as the chief entity, which is a not-for-profit public benevolent institution.

The financial report of Life Saving Victoria Limited complies with all Australian Accounting Standards and International Financial Reporting Standards (IFRS) in their entirety.

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

Basis of preparation

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

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

(a) Revenue Recognition

Income is recognised as revenue at the time the company obtains control over the assets, this usually occurs upon receipt of the funds from the customer, fees and memberships received from members and sponsorships, fundraising and donations received from contributors.

Grant Income is recognised when the company obtains control over the assets comprising these receipts. Control over granted assets is normally obtained upon their receipt (or acquittal) and are valued at their fair value at the date of transfer.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at the year end the unused grant or contribution is disclosed as Income in Advance.

(b) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). 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 are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet. Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(c) Income Tax Expense

The Company has received an income tax exemption as a public benevolent institution in accordance with Subdivision 50-B of the Income Tax Assessment Act 1997.

(d) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

(i) Annual Leave

Liabilities for wages and salaries are all recognised in the provision for employee benefits as current liabilities, because the Company does not have an unconditional right to defer settlements of these liabilities. Depending on the expectation of the timing of settlement, liabilities annual leave are measured at nominal value and disclosed as either

- wholly settle within 12 months; or
- not expected to wholly settle within 12 months.

(ii) Long Service Leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where the Company does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at present value and disclosed as either:

- undiscounted value- if the Company expects to wholly settle within 12 months; and
- present value-if the Company does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value.

(e) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Property, plant and equipment are measured on the cost basis less depreciation and impairment losses. The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, is depreciated on a straight-line basis over their useful lives commencing from the time the asset is held ready for use.

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

Leasehold Improvements	20 years	Motor Vehicles	4.5 years
Other Assets	2 to 5 years	IT Development Costs	2-5 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date. An 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.

Personal computers and laptop computers are expensed in the year of purchase.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONT)

Impairment

At each reporting date, the Company reviews the carrying values of its 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 income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Leasehold Improvements

Leasehold Improvements represent the construction costs of the State Headquarters building in Port Melbourne. The asset is being amortised over 20 years in accordance with the term of the lease for the land from Port of Melbourne Corporation.

(f) Inventories

Inventories are valued at lower of cost or net realisable value.

(g) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Company are classified as finance leases. The entity has not entered into any Finance Leases.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(h) Trade and other receivables

Trade and other receivables are carried at amounts receivable. The collectability of debts is assessed on an ongoing basis and specific provision is made for any accounts where the debt is considered unlikely to be collected. Debts which are uncollectable are written off.

(i) Trade and other payables

Trade and other payables represent the liability outstanding to the end of the financial reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of the recognition of the liability.

(j) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term bank deposits with less than three months to maturity at balance date, and bank overdrafts. Bank overdrafts are shown as part of cash and cash equivalents and reduce the amount shown as cash at bank. Short-term bank deposits with a maturity greater than 3 months at balance date, are recorded as Financial Assets.

(k) Interest income

Interest income is recognised as it accrues.

(l) Intangible Assets

Intangible assets represent identifiable non-monetary assets without physical substance such as computer software and development costs. The Company has determined that development costs incurred in relation to development of the e-learning platform, to be used in the normal course of business, will be capitalised and amortised over the expected useful life of the system.

Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Company.

LIFE SAVING VICTORIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONT)

Expenditure on research activities is recognised as an expense in the period on which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- an intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

(m) Fair Value Hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company will use valuation techniques that are appropriate for the circumstances and where there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

As at reporting date the company's property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. It is based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

(m) Accounting Standards issued but not yet effective

The following standards and interpretations would have been applied for the first time for entities with years ending 30 June 2014 (unless adopted early) :

Reference	Title	Application date of standard*	Application date for Group*
AASB 13	<p style="text-align: center;">Fair Value Measurement</p> <p>AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets.</p> <p>AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined.</p> <p>Consequential amendments were also made to other standards via AASB 2011-</p>	1 January 2013	1 July 2013

LIFE SAVING VICTORIA LIMITED
ACN 102 927 364

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONT)

The following standards and interpretations have been issued by the AASB but are not yet effective for the period ending 30 June 2014.

Reference	Title	Summary	Application date of standard*	Application date for Group*
Interpretation 21	<i>Levies</i>	This interpretation confirms that a liability to pay a levy is only recognised when the activity that triggers the payment occurs. Applying the going concern assumption does not create a constructive obligation.	1 January 2014	1 July 2014
AASB 1031	<i>Materiality</i>	The revised AASB 1031 is an interim standard that cross-references to other Standards and the <i>Framework</i> (issued December 2013) that contain guidance on materiality. AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed. AASB 2014-1 Part C issued in June 2014 makes amendments to eight Australian Accounting Standards to delete their references to AASB 1031. The amendments are effective from 1 July 2014*.	1 January 2014	1 July 2014
AASB 2013-9	<i>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments</i>	The Standard contains three main parts and makes amendments to a number Standards and Interpretations. Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1. Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards. Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 <i>Hedge Accounting</i> into AASB 9 <i>Financial Instruments</i> .	^^	^^
IFRS 15 *****	Revenue from Contracts with Customers	The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps: (a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation Early application of this standard is permitted.	1 January 2017	1 July 2017 Note A

LIFE SAVING VICTORIA LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

	2014 \$	2013 \$
NOTE 2: AUDITORS REMUNERATION		
<i>Audit services</i>		
Auditors to the Company	17,200	23,300
Other Auditing Services	7,100	8,460
	24,300	31,760

	2014 \$	2013 \$
NOTE 3: CASH AND CASH EQUIVALENTS		
Operating Bank Accounts	1,197,748	1,990,384
Other	1,850	1,850
Total Cash and Cash Equivalents	1,199,598	1,992,234

Included in the cash balance above and Financial Assets (Note 5), is part of the amount of \$4,565,215 (\$3,651,616 2013) in respect of income received in advance as per Note 8 where the related service provision has yet to be fulfilled. The service is expected to be provided within the next 12 months. Cash balances and Financial Assets (Note 5) are held to meet the ongoing financial management of the organisation.

NOTE 4: TRADE AND OTHER RECEIVABLES

CURRENT

Trade Accounts Receivable	563,944	825,400
Provision for Doubtful Debts (a)	(156,458)	(29,300)
	407,486	796,100
Other Receivables and Prepayments	289,937	82,875
Total Trade and Other Receivables	697,423	878,975

(a) Provision for Doubtful Debts

Current trade receivables are generally on 30 day terms. These receivables are assessed for recoverability and a provision made for doubtful debts is recognised when there is objective evidence that an individual trade receivable is doubtful. These amounts have been included in other expense items. Movements in the provision for doubtful debts are as follows :

Balance at 1 July 2013	29,300	22,000
Charge for the year	145,859	17,760
Less – Amounts written off	18,701	10,460
Balance at 30 June 2014	156,458	29,300

LIFE SAVING VICTORIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 5: FINANCIAL ASSETS	2014	2013
	\$	\$
Term Deposit held by Surf Life Saving Foundation on behalf of LSV	4,000,000	4,136,110
Other Bank Term Deposits	1,841,941	-
Total Financial Assets	<u>5,841,941</u>	<u>4,136,110</u>

NOTE 6: PROPERTY, PLANT AND EQUIPMENT

BUILDINGS	2014	2013
	\$	\$
Leasehold Improvements		
At cost	6,453,787	6,453,787
Less: accumulated depreciation	2,581,525	2,258,833
Total Leasehold Improvements	<u>3,872,262</u>	<u>4,194,954</u>
Total Buildings	<u>3,872,262</u>	<u>4,194,954</u>
PLANT AND EQUIPMENT		
Motor Vehicles		
At cost	1,058,047	1,021,610
Less: accumulated depreciation	331,867	322,288
Total motor vehicles	<u>726,180</u>	<u>699,322</u>
Computer and Office Equipment		
At cost	344,173	363,530
Less: accumulated depreciation	268,165	278,419
Total computer and office equipment	<u>76,008</u>	<u>85,111</u>
Gym Equipment		
At cost	16,455	16,455
Less: accumulated depreciation	16,455	16,455
Total gym equipment	<u>-</u>	<u>-</u>
Furniture and Fittings		
At cost	54,934	62,542
Less: accumulated depreciation	54,934	60,025
Total furniture and fittings	<u>-</u>	<u>2,517</u>
Rescue Equipment		
At cost	125,736	100,662
Less: accumulated depreciation	56,275	92,406
Total rescue equipment	<u>69,461</u>	<u>18,256</u>

LIFE SAVING VICTORIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 6: PROPERTY, PLANT AND EQUIPMENT (CONT)

	2014	2013
	\$	\$
Training Equipment		
At cost	7,956	16,200
Less: accumulated depreciation	7,956	16,200
Total training equipment	-	-
Total Plant and Equipment	871,649	805,206
Total Property, Plant and Equipment	4,743,911	5,000,160

MOVEMENTS IN CARRYING AMOUNTS

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

BUILDINGS

Leasehold Improvements

Carrying amount at the beginning of the year	4,194,954	4,517,646
Less - Disposals	-	-
Less - Depreciation charge for the year	322,692	322,692
Carrying amount at end of year	3,872,262	4,194,954

PLANT AND EQUIPMENT

Motor Vehicles

Carrying amount at the beginning of the year	699,322	740,633
Acquisitions	391,092	225,842
Less - Disposals	145,268	58,956
Less - Depreciation charge for the year	218,966	208,197
Carrying amount at end of year	726,180	699,322

Computer and Office Equipment

Carrying amount at the beginning of the year	85,111	127,031
Acquisitions	32,817	-
Less - Disposals	-	-
Less - Depreciation charge for the year	41,920	41,920
Carrying amount at end of year	76,008	85,111

Gym Equipment

Carrying amount at the beginning of the year	-	-
Acquisitions	-	-
Less - Disposals	-	-
Less - Depreciation charge for the year	-	-
Carrying amount at end of year	-	-

Furniture and Fittings

Carrying amount at the beginning of the year	2,517	5,742
Acquisitions	-	-
Less - Disposals	-	-
Less - Depreciation charge for the year	2,517	3,225
Carrying amount at end of year	-	2,517

LIFE SAVING VICTORIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 6: PROPERTY, PLANT AND EQUIPMENT (CONT)

	2014 \$	2013 \$
Rescue Equipment		
Carrying amount at the beginning of the year	18,256	20,620
Acquisitions	67,272	10,944
Less - Disposals	-	-
Less - Depreciation charge for the year	16,067	13,308
Carrying amount at end of year	<u>69,461</u>	<u>18,256</u>
Training Equipment		
Carrying amount at the beginning of the year	-	-
Acquisitions	-	-
Less - Disposals	-	-
Less - Depreciation charge for the year	-	-
Carrying amount at end of year	<u>-</u>	<u>-</u>
Total Property, Plant and Equipment	<u>4,743,911</u>	<u>5,000,160</u>

NOTE 7: INTANGIBLE ASSETS

IT Systems Development		
At cost	126,550	-
Less - Depreciation charge for the year	-	-
Total IT Systems Development	<u>126,550</u>	<u>-</u>

MOVEMENTS IN CARRYING AMOUNTS

Movements in the carrying amounts for each class of intangible assets between the beginning and end of the current financial year :

IT Systems Development		
Carrying amount at the beginning of the year	-	-
Acquisitions	126,550	-
Less - Disposals	-	-
Less - Depreciation charge for the year	-	-
Carrying amount at end of year	<u>126,550</u>	<u>-</u>

NOTE 8: TRADE AND OTHER PAYABLES

CURRENT		
Trade accounts payable	433,340	366,040
Other payables and accrued expenses	79,165	108,415
Income received in advance	4,565,215	3,651,616
Total trade and other payables	<u>5,077,720</u>	<u>4,126,071</u>

LIFE SAVING VICTORIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 9: PROVISIONS

	2014 \$	2013 \$
CURRENT PROVISIONS EXPECTED TO BE SETTLED WITHIN 12 MONTHS		
Liability for annual leave	266,391	214,028
Liability for long service leave	-	-
Liability for other provisions	12,769	8,000
	279,160	222,028
 CURRENT PROVISIONS EXPECTED TO BE SETTLED AFTER 12 MONTHS		
Liability for annual leave	224,820	218,314
Liability for long service leave	248,448	198,393
Liability for other provisions	-	12,000
	473,268	428,707
 Total Current Provisions	 752,428	 650,735
 NON CURRENT		
Liability for long service leave	77,052	55,802
 Total Provisions	 829,480	 706,537
 MOVEMENT IN PROVISIONS FOR EMPLOYEE BENEFITS		
Opening balance 1 July 2013	706,537	650,353
Additional provisions	130,173	56,184
Amounts used	(7,230)	-
Balance as at 30 June 2014	829,480	706,537

NOTE 10: FINANCIAL INSTRUMENTS

Financial assets	Note	Category	Carrying amount 2014	Carrying amount 2013
			\$	\$
Cash and cash equivalents	3	N/A	1,199,598	1,992,234
Receivables	4	Receivables (at amortised cost)	407,486	796,100
Financial Assets	5	Loans and Receivables	5,841,941	4,136,110
Financial Liabilities				
Payables	8	Financial liabilities measured at amortised cost	433,340	366,040

(a) Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Company's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the balance sheet.

LIFE SAVING VICTORIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 10: FINANCIAL INSTRUMENTS (CONT)

Financial assets that are either past due or impaired
Currently the Company does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

As at the reporting date, there is no indication that the financial assets have been impaired other than as disclosed in Note 5.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The following table discloses the ageing only of financial assets that are past due but not impaired.

Economic Entity								
Interest rate exposure and ageing analysis of financial assets								
	Carrying amount	Interest rate exposure			Current	Past due by		
		Fixed interest rate	Variable interest rate	Non-interest bearing	Less than 1 month	1-3 months	More than 3 months	
2014								
Cash assets	1,199,598	-	1,197,748	1,850	-	-	-	
Receivables	407,486	-	-	407,486	210,105	127,221	70,160	
Financial Assets	5,841,941	5,841,941	-	-	-	-	-	
	7,449,025	5,841,941	1,197,748	409,336	210,105	127,221	70,160	
2013								
Cash assets	1,992,234	1,783,123	207,261	1,850	-	-	-	
Receivables	796,100	-	-	796,100	515,393	200,248	80,459	
Financial Assets	4,136,110	4,136,110	-	-	-	-	-	
	6,924,444	5,919,233	207,261	797,950	515,393	200,248	80,459	

(b) Liquidity risk

Liquidity risk arises when the company is unable to meet its financial obligations as they fall due. The company operates under the policy of settling financial obligations within 30 days and in the event of a dispute, make payments within 30 days from the date of resolution. It also continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets and dealing in highly liquid markets.

LIFE SAVING VICTORIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 10: FINANCIAL INSTRUMENTS (CONT)

The Company's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Maximum exposure to liquidity risk is the carrying amounts of financial liabilities.

Economic Entity

Interest rate exposure and maturity analysis of financial liabilities

	Nominal amount	Interest rate exposure			Maturity dates			
		Fixed interest rate	Variable interest rate	Non-interest bearing	Less than 1 month	1-3 months	3 months – 5 years	More than 5 years
2014								
Payables	433,340	-	-	433,340	433,340	-	-	-
Loan	-	-	-	-	-	-	-	-
	433,340	-	-	433,340	433,340	-	-	-
2013								
Payables	366,040	-	-	366,040	366,040	-	-	-
Loan	-	-	-	-	-	-	-	-
	366,040	-	-	366,040	366,040	-	-	-

Unexpended grant liabilities are excluded from the maturity analysis as they have no contractual maturity date.

- (b) **Market risk**
The Company's exposure to market risk is primarily through interest rate risk with currently no exposure to other price risk or foreign currency risk. Objectives, policies and processes used to manage this risk are disclosed in the paragraph below.
- (c) **Interest rate risk**
Exposure to interest rate risk might arise primarily through the Company's cash and deposits. Minimisation of risk is achieved by mainly undertaking fixed rate or non-interest bearing financial instruments.
- (d) **Sensitivity Disclosure Analysis**
Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience in financial markets, the Company believes the following movements are "reasonably possible" over the next 12 months – a parallel shift of +1% and -1% in market interest rates (AUD) from year end rates of 3.5 % (weighted average).

The following table discloses the impact on net operating result and equity for each category of financial instruments held by the Company at year end, if the above movements were to occur.

LIFE SAVING VICTORIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 10: FINANCIAL INSTRUMENTS (CONT)

Economic Entity					
Market risk exposure					
	Carrying amount	Interest rate risk			
		-1% (100 basis points)		+1% (100 basis points)	
		Profit	Equity	Profit	Equity
2014					
Financial assets:					
Cash assets	1,197,748	(11,977)	(11,977)	11,977	11,977
Financial Assets	5,841,941	(58,419)	(58,419)	58,419	58,419
Financial Liabilities:					
Loans	-	-	-	-	-
2013					
Financial assets:					
Cash assets	1,990,384	(19,904)	(19,904)	19,904	19,904
Financial Assets	4,136,110	(41,361)	(41,361)	41,361	41,361
Financial Liabilities:					
Loans	-	-	-	-	-

(f) Fair value

The fair values and net fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models.

The Company considers that the carrying amount of financial assets and financial liabilities recorded in the financial report to be a fair approximation of their fair values, because of the availability of accurate market prices or their short-term nature and the expectation that they will be paid in full.

NOTE 11: RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES WITH THE COMPREHENSIVE RESULT

	2014	2013
	\$	\$
Cash flows from operating activities		
Surplus/(Loss) for the period	(463,938)	225,621
Increase/(decrease) in provisions & employee benefits	122,943	56,184
Depreciation	602,163	589,342
(Gain)/Loss on sale of assets	(46,865)	(68,374)
Change in value of investments	-	-
Surplus before changes in working capital	214,303	802,773
Decrease/(increase) in trade & other receivables	181,552	(350,977)
(Increase)/decrease in inventory	(8,710)	(3,609)
Increase/(decrease) in trade & other payables	951,648	866,548
Net cash from operating activities	1,338,793	1,314,735

LIFE SAVING VICTORIA LIMITED
ACN 102 927 364

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 12: RELATED PARTIES

The following were key management personnel of the Company at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

Non-Executive Directors

Thomas Mollenkopf – appointed 24-11-2012
Norman Farmer ESM – appointed 25-3-2014
Nicholas Hall – resigned 25-3-2014
Allan Holmes
Catherine McCraith
Darren McLeod
David Rylance – appointed 26-11-2013
David Schultz
Jeanette Stuart – appointed 26-11-2013
Stuart Wall – resigned 12-9-2013
Peter Williams

Company Secretary

Dr Michael Kennedy OAM

Executives

Nigel Taylor ESM, Chief Executive Officer - appointed December 2006
Emma Atkins, General Manager Business Support – appointed November 2009
Andrew Foran, General Manager Life Saving Club Development – appointed September 2013
Mevan Jayawardena, General Manager Business Development and Corporate Communications – appointed May 2011
Paul Kildea Manager, Financial Services - appointed July 2005
Paul Shannon, General Manager Government and Industry Relations – appointed August 2011
Katharine Simpson, General Manager Education Services – appointed July 2012
Aaron Tabone, General Manager Commercial Training - appointed June 2011 resigned – December 2013

Key management personnel compensation

Compensation paid or payable, or otherwise made available, to eight (seven in 2012-13) key management personnel of the Company are as follows:	2014	2013
	\$	\$
Short term employee benefits	867,871	789,989
Post employment benefits	-	-

No Director has entered into a material contract with the Company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year-end.

The Directors have not received fees for their services as directors.

Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made as arms length transactions using both normal market prices and normal commercial terms.

Outstanding balances at year-end are unsecured and settlement occurs in cash.

There have been no guarantees provided or received from any related party receivables.

For the year ended 30 June 2014, the entity has not raised any provision for doubtful debts relating to amounts owed by related parties (2013: \$nil).

LIFE SAVING VICTORIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 13: COMMITMENTS	2014	2013
	\$	\$
Commitments arising from contracts for expenditure not provided in the accounts:		
Operating Leases		
Within 12 Months	31,200	21,796
Greater than 12 months but less than 5 years	124,800	40,000
Greater than 5 years	210,600	77,500
Total Operating Lease Commitments	<u>366,600</u>	<u>139,296</u>

NOTE 14: CONTINGENT LIABILITIES

Bank Guarantees	<u>30,000</u>	<u>17,000</u>
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NOTE 15: INTEREST IN SURF LIFE SAVING FOUNDATION INC

The Surf Life Saving Rescue Fund Trust (the Trust), of which the Foundation is the corporate Trustee (the Trustee), holds funds for the benefit of LSV, which may be distributed at the sole discretion of the Trustee and accordingly these funds are not recognised in the Statement of Financial Position. At 30 June 2014 LSV had a beneficial interest in funds within the Trust that had a market value of \$2,333,399 (\$1,685,608 June 2013).

LSV receives distributions from Surf Life Saving Australia of funds raised by the Surf Lifesaving Foundation Inc (the Foundation) from fundraising activities undertaken on behalf of LSV. Distributions received in 2013-14 totalled \$453,740 (\$472,006 in 2012-13).

Except for funds raised by the Foundation on behalf of LSV under a service contract, all future distributions to LSV from funds raised by the Foundation are at the sole discretion of Surf Life Saving Australia Ltd and accordingly the interest of LSV in these future distributions has not been recognised in the Financial Statements of LSV.

NOTE 16: SUBSEQUENT EVENTS

Since the end of the financial year and prior to the date of this report no significant transaction occurred.

NOTE 17: MEMBERS LIABILITY

The Company is 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 Company.

LIFE SAVING VICTORIA LIMITED
ACN 102 927 364

DIRECTORS' DECLARATION

In the opinion of the directors of Life Saving Victoria Limited:

- (a) the financial statements and notes, set out on pages 7 to 25 are in accordance with the Corporations Act 2001, including:
- (i) giving a true and fair view of the financial position of the Company as at 30 June 2014 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors:



David Schultz
Director

23 September 2014

Melbourne.



Nigel Taylor BSM
Chief Executive Officer

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
LIFE SAVING VICTORIA LIMITED
ACN 102 927 364**

Report on the Financial Report

We have audited the accompanying financial report of Life Saving Victoria Limited, which comprises the statement of financial position as at 30 June 2014 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to Life Saving Victoria Limited on 23 September 2014, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion:

(a) the financial report of Life Saving Victoria Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Act 2001*.

DFK Collins

**DFK COLLINS
CHARTERED ACCOUNTANTS**

Robert Wernli

**Robert Wernli
Partner**

Melbourne
26 September 2014

AUDITOR'S INDEPENDENCE DECLARATION UNDER S307C OF THE CORPORATIONS ACT 2001

To: the directors of Life Saving Victoria Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014 there have been:

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

DFK Collins

**DFK COLLINS
CHARTERED ACCOUNTANTS**

Robert Wernli

**Robert Wernli
Partner**

Melbourne
23 September 2014