

Life Saving Victoria Limited

ACN: 102 927 364

Annual Financial Report
For the Year Ended 30 June 2019

Life Saving Victoria Limited

ACN: 102 927 364

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For the Year Ended 30 June 2019

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Life Saving Victoria Limited

ACN: 102 927 364

Directors' Report 30 June 2019

This Report is made pursuant to the *Corporations Act 2001*.

The directors present their report on Life Saving Victoria Limited for the financial year ended 30 June 2019.

Company particulars

The registered office and principal place of business of the company is:

Life Saving Victoria Limited
200 The Boulevard
Port Melbourne Victoria 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 35,383, 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 2019 and the Auditor's Report thereon.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Thomas Mollenkopf (Term completed November 2018)
Paul James (Appointed November 2018)
Darren McLeod
David Rylance
David Schultz (Term completed November 2018)
Georgie Wettenhall (Appointed November 2018)
Vincent Sheehan
Peter Williams
Rachael Rylance
Angela Malan
Liz Tesone
Shane Dunne
Susan Wolff

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

Principal activities

The principal activity of Life Saving Victoria Limited during the financial year was Lifesaving Services and Water Safety and Education and Training.

Life Saving Victoria Limited

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Directors' Report

30 June 2019

Review of operations and results

Having experienced the highest annual drowning toll in over two decades during the 2018-19 financial year, upholding Life Saving Victoria's mission of preventing aquatic death and injury across all waterways in Victoria is in the spotlight more than ever.

Life Saving Victoria's key successes of the year are:

- *Swimming and Water Safety in Schools*
Developing swimming competency in children is a foundational strategy for water safety and as part of the Public Water Safety Initiative, funded by the Department of Education and Training, we have worked closely with school's aquatic facilities and swim schools, to help them deliver the high-quality school swimming and water safety programs required by the Victorian Curriculum. Our work has taken input from evaluation of school swimming uptake barriers, enabling us to develop resources that make it easier for schools to access swimming programs and to support the aquatic industry in delivering programs that enable students to achieve the Victorian Water Safety Certificate. Outcomes in the year include launching the Swimming and Water Safety Toolkit online resource suite, delivery of professional development workshops for schools and the aquatic industry, narrowing down on the Victorian Water Safety Certificate as the central benchmark for skills and improving online certificate orders, and piloting a swim teacher training course for school teachers
- *Introduction of the Westpac Life Saver Rescue Drone Service* Three drones were introduced in March 2019, with the ability to be despatched around the state as needed, to provide accurate aerial vision and surveillance along the Victorian coastline and inland in emergency situations.

Key areas of operation include:

- Surveillance at major LSV and club events, as well as high risk areas.
- Search and rescue operations.
- Marine creature detection (e.g. sharks).
- Coastal survey activities.
- Assisting other agencies (e.g. Victorian Fisheries Authority).

Seven volunteer lifesavers have undertaken specialist training to operate the drones, which have been used for water safety at a number of lifesaving events, as well as search and rescue support for Victoria Police.

- *Volunteer training review*
In Jan 2019, LSV initiated a review of the Volunteer Training area, with the objective to improve both training standards and the training experience.

The review identified four key areas for attention, including:

1. Training Options, Pathways and Resources
2. Training Planning and Delivery
3. Trainer and Assessor Communications and Support
4. Information Technology (IT)

A series of recommendations were made, with the centrepiece being the development of the Volunteer Training Handbook as a 'single source of truth'. The document is available on the LSV website (alongside the review document and progress report) and will remain live, ensuring it always remains up-to-date. LSV's Volunteer Training team continues to work through the recommendations, with the aim to have as many as possible implemented ahead of the 2019-20 lifesaving season.

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Directors' Report

30 June 2019

Review of operations and results (continued)

Life Saving Victoria's key successes of the year are (continued):

- *Backyard pools planning, regulation and assessment*

The mandatory barrier inspection scheme for backyard pools and spas will commence on the 1st December 2019. The Department of Environment, Land, Water and Planning (DELWP), Victorian Building Authority (VBA) and Municipal Association of Victoria (MAV) will have carriage over implementation. The scheme commences with mandatory registration of pools and spas with local councils and it is expected that a training course will be developed by the VBA so that inspections can commence by April 2020. LSV will investigate opportunity around implementation of the new regulations.

The State Government also continues to acknowledge the need for Education within Multicultural communities for the provision of specialist water safety programs, with \$ 436,767 made available for this purpose in 2018-19 (2017-18 – 427,870). In 2018/19 these programs benefitted over 19,500 participants, an increase of 24% from 2017/18. With the growth of the water safety capability of involved communities, this year LSV led a collaborative initiative to raise CALD youth employment and representation in Victoria's emergency services, by developing new pathways from our training and employment model to be transferrable into other emergency services.

To date:

- Seven LSV/CALD aquatic role models have joined Ambulance Victoria as ambulance community officers.
- Two have joined Forest Fire Management Victoria as project firefighters.
- One has joined LSV as a multicultural projects officer.

An integral part of our LSV community is our 57 affiliated lifesaving clubs, with our 35,383 members (2017/18 – 36,372) performing a vital lifesaving role on our coastlines. Our Volunteer members, together with our permanent, casual and seasonal staff, licensees, community education and aquatic industry members, and associated marine and rescue organisations, continue to engage in all areas of the community and build positive partnerships with all stakeholders for community resilience strategies and initiatives.

The redevelopment and upgrade of Life Saving club Houses and facilities continue to be a focus in our partnership with Emergency Management Victoria. Works continue for upgrades to the following facilities (with amounts held by Life Saving Victoria on their behalf)

- South Melbourne (\$1.00 million)
- Cape Paterson (\$2.50 million)
- Anglesea (\$1.5 million)
- Edithvale (\$1.5 million)
- Jan Juc (\$1.5 million)
- Point Lonsdale (\$2.00 million)
- Brighton (\$1.00 million).

Facility redevelopments were completed at Portsea and Ocean Grove during the year.

Additionally, during the 2018-19 year, LSV continued to address the urgent upgrades and repairs after the comprehensive review of all clubhouses and ancillary buildings in the previous year including support for Wonthaggi LSC's storm damaged clubhouse.

Financial

The full financial year result for 2018-19 was a surplus of \$409,854 (deficit of \$7,256 in 2017-18),

The high fluctuations over previous years are due to the recognition of revenue under AASB 1004 Contributions where matching expenses relating to this revenue has not yet been incurred. In the 2017-18 year, \$868,795 of grant income was recognised under this standard with the requisite matching expenses incurred during the 2018-19 year. As detailed in the below reconciliation \$868K of revenue from a wide range of grant revenue streams has been recognised within the 2018-19 year, however the expenses for the delivery of these program will be included in the 2019-20 year.

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Directors' Report

30 June 2019

Review of operations and results (continued)

Life Saving Victoria's key successes of the year are (continued):

The recognition of this revenue represents grants received during the year, where a material balance remains unexpended at balance date as per AASB 1004, Contributions. These timing differences will be addressed with the introduction of AASB 1058 income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers in the 2019-20 financial year.

Key financial items to note during the year are as follows.

- An additional \$3.8M of funding was announced at the 2018 budget for a 2 year cycle. Over 1.9M was received from the Department of Education and Training to address School Swimming and Water Safety, while \$1.9M was received through Emergency Management Victoria for additional Lifeguard services, Rescue Water Services, Volunteer Support and implementing the Coroner's recommendations into public swimming pool safety.
- There has been continued benefit from significant grant funding from various Local, State and Commonwealth agencies. In 2018-19 these grants totalled \$10.26 Million (including the funding detailed above) and represented 47% of total income (2017-18 41%). As per previous years this does not include funds received for facilities and equipment which are deemed to be held in trust for the clubs.
- No income for the redevelopment of clubhouses was received by Life Saving Victoria in 2018-19. The funds for redevelopment at Bonbeach, Aspendale, Mentone and Black Rock have been retained by the Emergency Services Infrastructure Authority (ESIA).
- Increased programs and participants within our community education programs in schools and multicultural communities have seen increased revenues. Once again exceeding budgeted targets.
- The Surf Life Saving Foundation distributions received totalled \$466,323 (2017-18 \$468,373). Funds were acknowledged as income during the financial year, in line with the treatment in prior years and contributed to the result.
- While the financial statements are prepared in accordance with the Accounting standards, management accounts are prepared with revenue matched to the requisite expense for each individual program and area. The financial results from this perspective compared to the Financial Statement result were:

	<u>2018-19</u>
	<u>\$</u>
Result per Management Account	473,236
Grants recognized under AASB 1004 (2018/19)	805,413
Grants recognized under AASB 1004 (2017/18)	(868,795)
Result per Financial Statements	<u>409,854</u>

As detailed in the annual report, a review of the source and distribution of funds shows continued diversification of financing for all operations with Social Enterprise contributing 38% (2017-18 40%) and recurring Government Grants at 17 % (2017-18 28%) .Note these figures do not include financing for facilities development.

Distribution of funding shows over 62% of all funds directed towards the provision of life saving services with 34% of this directly to clubs as grants (25% as facilities grants), with 25% invested in the core LSV service of Public Training, Community Education and Pool Safety Services.

Life Saving Victoria's financial position is strengthening with ongoing investment in all areas of activity. Continued and increased support from the Victorian Government for both Emergency Services and Education & Training has resulted in augmented essential community services across schools, inland waterways, aquatic facilities and coastal areas. Strong Financial indicators demonstrate the growth of the organisation, which in conjunction with our investment strategy augers well for future generations of Lifesavers.

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Directors' Report

30 June 2019

Dividends

The Memorandum of Association of the Company 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

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Likely developments

LSV will continue the Principal Activities.

Information on directors

Paul James ASM

Qualifications

Grad Cert Management, Assoc Dip Health Science (Ambulance), Cert Aquatic Leadership, Education and Practice

Occupation

Group Manager – Ambulance Victoria

Experience

Paul is an Area Manager in Gippsland for Ambulance Victoria where he is responsible for the provision of quality emergency ambulance operations. Paul is a registered Ambulance Paramedic and has received an Ambulance Service Medal for distinguished service. His experiences include as an Incident Health Commander and Regional Health Commander for numerous emergency events including the Hazelwood Mine Fire, various flood events, Longford Gas Emergency and awarded a National Emergency Medal following his involvement in the 2009 Black Saturday Bushfires.

Previous employment has included State Manager for Laerdal Pty Ltd, Programs Manager for the RLSSA Victoria Branch and as a Military Policemen.

Paul has contributed as a member of RAV's Medical Standards Committee, has been a National Councillor on the Australian Resuscitation Committee and held numerous national directorships for The Royal Life Saving Society Australia.

Paul has been actively involved in lifesaving with several clubs including Hampton SLSC for over forty years and is still a patrolling member and Life Member. He has been Club President on two occasions. Paul was awarded a 125th Certificate of Merit by Prince Michael in recognition of his contributions to life saving.

Appointed

November 2018

Special Responsibilities

LSV President and Board Chair

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Directors' Report

30 June 2019

Information on directors (continued)

Thomas Mollenkopf

Qualifications

LL.B., B.Juris., MBA, FAICD, FGIA

Occupation

CEO

Experience

Tom's third and final term as LSV President expired in November 2018. He is CEO of the Peter Cullen Water and Environment Trust, a Senior Associate with the Aither Consultancy and holds a series of Board roles. He is a Director of the International Water Association, Dandenong Market and up to July 2019, SLSA. Previous board roles include as Chair of the Water Industry Superannuation Fund and Director of Western Water, Water Aid Australia and Water Australia Solutions Ltd. Tom was CEO of the Australian Water Association from 2007 until 2013. Prior to that he held executive positions in various industries in London and Melbourne. His 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

Special Responsibilities

LSV President and Board Chair

Information on directors

Georgie Wettenhall

Occupation

Director – Design Flow Consulting.

Experience

Georgie is an environmental consultant and has been a director of a small business for more than 10 years. Her work includes sustainable urban water management planning, design and education.

Georgie joined the Woolamai Beach Surf Life Saving Club as a nipper and has been an active patrolling member for more than 25 years. She has also held memberships with Gunnamatta, Torquay and Point Lonsdale SLSCs. She has competed in a range of life saving events and held many club leadership positions including President, Club Captain, Chief Instructor and Patrol Captain

Appointed

November 2018

Special Responsibilities

Director Council of Lifesaving Clubs

David Schultz

Qualifications

MIEAust, CPEng, GAICD

Occupation

Civil Engineer

Experience

David is a Civil Engineer and holds a Company Director Diploma. He is the Chair of South Gippsland Water. David has been actively involved with the Inverloch SLSC since it started in 1998, being a member of the first patrol and President of the club from 1999 until 2006 and is a Life Member. Previously David held various executive roles with GHD Global, including Practice Leader of the Management Consulting practice and Senior Project Director Middle East.

Appointed

August 2014

Special Responsibilities

Director Council of Lifesaving Clubs

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Directors' Report

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Information on directors (continued)

Darren McLeod

Occupation Business Manager

Experience 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 when he joined Point Leo SLSC. He is the current President of Seaford LSC 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

Special Responsibilities Director Lifesaving Services

David Rylance

Occupation Firefighter

Experience David is a Leading Firefighter with the Metropolitan Fire Brigade (MFB) and has been a fire fighter for the past ten years. David has coordinated and facilitated specialist courses for the MFB and is the Chief Controller and Chief Instructor for the MFB's Remotely Piloted Aircraft Systems Program. Prior to this he worked for Brivis Climate Systems as a Research and Development Technician for over 11 years. David currently is a member of the SLSA Learning and Development Advisory Committee. He is a Life Member of Elwood LSC and a member of Williamstown S&LSC.

Appointed November 2013

Special Responsibilities Director Training and Assessment

Vincent Sheehan

Qualifications BEc FCA

Occupation Chartered Accountant

Experience 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, completing over 100 patrol and water safety hours for season 2018/19 and competes with Lorne. He is a former Treasurer of Lorne Surf Life Saving Club and has been a member of the Finance, Risk and Audit Committee since July 2013. Vincent joined Surf Life Saving Australia's Finance Audit and Compliance Committee in August 2019

Appointed August 2014

Special Responsibilities Chair of Finance, Risk and Audit Committee

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Directors' Report

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Information on directors (continued)

Peter Williams

Qualifications

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

Occupation

Business Consultant

Experience

Peter is a former executive manager with VicRoads and now provides consulting assistance in the international development and roads management sectors. 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 was a Director of Anglesea SLSC from 1995 to 2000 and President from 2000 to 2006 and from 2011 to 2014. From 2001 until 2014 Peter was a Trustee of the Anglesea SLSC Foundation and is currently Chair of the Project Control Group overseeing the club's redevelopment. He is a Life Member of Anglesea SLSC.

Appointed

April 2013

Special Responsibilities

Director Council of Lifesaving Clubs

Rachael Rylance

Occupation

Manager

Experience

Rachael is the Accounts & Transformation Manager at AIA Australia Ltd, she has held various Finance roles over the last 20-years. Her expertise is in developing and improving processes with experience in enterprise projects. Rachael has been a member of Elwood LSC since 2006, an active volunteer lifesaver since 2010 and continues to patrol. Rachael is the current Secretary of Elwood Life Saving Club, as well as being involved in all aspects of sport at her club. She has also held several state positions including team manager for the IRB and Pool State teams and Pool Panel Coordinator.

Appointed

August 2015

Special Responsibilities

Director Aquatic Sports

Angela Malan

Qualifications

BBus

Occupation

Education Support

Experience

Angela has been actively involved at Inverloch Surf Living Saving Club since 2005, is a current patrolling member and in 2018 was appointed a Life Member. She was Junior Coordinator from 2006-2011 and Club President from 2011-2016. Angela is the current Secretary at Inverloch SLSC. Angela has held positions at a state level on the Membership and Leadership Development Executive for the past 10 years. Outside of Lifesaving Angela works in Education support.

Appointed

August 2015

Special Responsibilities

Director Membership & Leadership Development

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Directors' Report

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Information on directors (continued)

Shane Dunne

Qualifications	MBA
Occupation	CEO
Experience	Shane is the CEO of Aligned Leisure and General Manager with the Richmond Football Club where he leads the club's education and community leisure business pursuits. He has worked in senior roles in the sport and leisure industry for 17 years. Shane also undertook planning and management roles at the London 2012 Olympic and Paralympic Games. Shane also holds a Board appointed position on the LSV Finance, Risk and Audit Committee.
Appointed	February 2018
Special Responsibilities	Independent Director

Liz Tesone

Qualifications	B.Ed
Occupation	Aquatic Specialist
Experience	Liz is YMCA Victoria's Aquatic Specialist responsible for all State and National aquatics programs and strategic relationship management with key peak bodies and sporting organisations. She also leads the YMCA's aquatic program development across Asia Pacific, which has a focus on water safety and drowning prevention. With more than 20 years' industry experience and a passion for drowning prevention, Liz sits on a number of committees across various water safety agencies and within the aquatics industry.
Appointed	February 2018
Special Responsibilities	Director - Aquatic Education & Industry Engagement Council

Susan Wolff

Qualifications	B.Comm, CPA
Occupation	Compliance Manager
Experience	Susan is a Senior Operations Manager with a Trustee company and is an experienced CFO and Governance Manager with a career spanning 25 years working in the financial services industry. Susan has been actively involved in the development and implementation of compliance, governance and risk frameworks across both funds management and advice businesses. Susan is a Fellow of the Governance Institute of Australia and a Nipper parent and former Treasurer of the Altona Life Saving Club. Susan has been a member of the Governance Committee since April 2017.
Appointed	May 2018
Special Responsibilities	Independent Director

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Directors' Report

30 June 2019

Information on directors (continued)

Alexandra Moule

Qualifications	LLB (Hons), B.Comm (Hons), FGIA, FCIS
Occupation	Lawyer and Company Secretary
Experience	Alex is a General Counsel and Company Secretary at a private investment company. Prior to commencing in her current role, Alex was a senior lawyer at a global law firm, with over 20 years' experience in governance and corporate regulatory advice. She advised listed clients across a range of industry groups on various governance and Board matters, in particular relating to disclosure, policies and procedures and shareholder meetings, communications and engagement. Alex is a Fellow of the Governance Institute of Australia. Alex is a Nipper parent and Age Manager at Elwood LSC.
Appointed	November 2016
Special Responsibilities	LSV Company Secretary

Committee memberships

At 30 June 2019 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

- Vincent Sheehan (Chair),
- Dr Michael Kennedy OAM * (Part)
- Dean Sibun*
- Simone Bohan*
- Donna Watt*
- Adam Alsbury*
- Shane Dunne (Part)
- Emma Olivier* (Part)

Governance Committee

- David Shultz
- Susan Wolff
- Peter Williams
- Tom Mollenkopf
- Alexandra Moule*

Honours and Awards Committee

- Darren McLeod (Chair)
- Michael Martin AM *
- Andrew Barnes*
- Dianne Montalto ESM *
- Ann-Maree Gardiner *
- David Stogdale* (Part)
- Warren Clark* (Part)

* Non-Director

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Directors' Report

30 June 2019

Meetings of directors

During the financial year, 8 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

Directors' Meetings		
	Number eligible to attend	Number attended
Thomas Mollenkopf	4	4
Paul James	4	4
Georgie Wettenhall	5	5
Darren McLeod	6	6
David Rylance	8	5
Vincent Sheehan	8	8
Peter Williams	8	7
Rachael Rylance	8	6
Angela Malan	8	7
Shane Dunne	8	8
Elizabeth Tesone	8	7
Susan Wolff	8	8
Alexandra Moule	8	8

Indemnification and insurance of officers and auditors

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.

Proceedings on behalf of company

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

Life Saving Victoria Limited

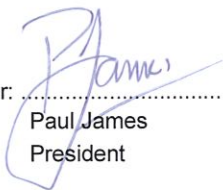
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Directors' Report 30 June 2019

Auditor's independence declaration



The lead auditor's independence declaration in accordance with the Australian Charities and Not-for-profits Commission Act 2012, for the year ended 30 June 2019 has been received and can be found on page 12 of the financial report.

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

Director: 
Paul James
President

Director: 
Vincent Sheehan
Director

Melbourne.

Dated this  day of  2019

Auditor's Independence Declaration 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 2019 there have been:

- (i) No contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012*, in relation to the audit, and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.

ShineWing Australia

ShineWing Australia
Chartered Accountants

Hayley Underwood

Hayley Underwood
Partner

Melbourne, 8 October 2019

Life Saving Victoria Limited

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2019

	2019	2018
	\$	\$
Income		
Sales	897,901	846,609
Fees for services	4,541,241	4,581,395
Grants for clubs	4,089,490	2,763,528
Grants - other	5,539,971	3,919,982
Sponsorships	1,746,014	1,507,179
Surf Life Saving Foundation distribution	466,323	468,373
Other Fundraising and donation	167,250	154,201
Function centre	693,878	596,147
Interest income	524,469	473,849
Realised gain on sale of assets	37,047	14,560
Other income	643,333	370,000
Total income	19,346,917	15,695,823
Expenses		
Cost of sales	(663,665)	(517,418)
Life Saving Operations	(4,946,976)	(4,189,742)
Training and Education Programs	(5,185,130)	(3,436,072)
Aquatic Risk and Research	(825,893)	(591,338)
External Services	(1,085,092)	(1,214,015)
Grants Disbursements - Clubs	(645,878)	(720,847)
Grant Disbursements - other	(317,063)	(438,510)
Fundraising	(366,936)	(343,649)
Function Centre	(568,322)	(592,152)
Corporate Administration	(3,630,566)	(2,934,969)
Depreciation/Amortisation	(618,881)	(672,166)
Other expenses	(82,661)	(52,201)
Total Expenses	(18,937,063)	(15,703,079)
Surplus/(Deficit) for the year	409,854	(7,256)
Total comprehensive income for the year	409,854	(7,256)

The accompanying notes form part of these financial statements.

Life Saving Victoria Limited

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Statement of Financial Position

As At 30 June 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	3,923,612	6,064,923
Trade and other receivables	4	1,748,833	848,355
Prepayments		77,377	56,279
Financial assets	5	14,124,092	16,672,573
Inventories		177,018	216,938
TOTAL CURRENT ASSETS		20,050,932	23,859,068
NON-CURRENT ASSETS			
Property, plant and equipment	6	4,492,083	4,044,273
Intangible assets - IT Development	7	730	17,131
TOTAL NON-CURRENT ASSETS		4,492,813	4,061,404
TOTAL ASSETS		24,543,745	27,920,472
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	1,126,811	654,507
Financial liabilities	9	12,049,716	16,839,277
Income in Advance	10	1,708,959	1,307,882
Employee provisions	11	1,040,243	898,384
TOTAL CURRENT LIABILITIES		15,925,729	19,700,050
NON-CURRENT LIABILITIES			
Employee provisions	11	53,468	65,728
TOTAL NON-CURRENT LIABILITIES		53,468	65,728
TOTAL LIABILITIES		15,979,197	19,765,778
NET ASSETS		8,564,548	8,154,694
EQUITY			
Retained surplus		8,564,548	8,154,694
TOTAL EQUITY		8,564,548	8,154,694

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 30 June 2019

	Retained Earnings
	\$
Balance at 30 June 2017	<u>8,161,950</u>
Deficit for the year	<u>(7,256)</u>
Balance at 30 June 2018	8,154,694
Surplus for the year	<u>409,854</u>
Balance at 30 June 2019	<u><u>8,564,548</u></u>

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 30 June 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from sponsors, donors and customers	17,868,604	24,005,809
Cash paid to suppliers and employees	(22,069,622)	(18,211,948)
Interest received	524,469	534,545
Net cash provided by/(used in) operating activities	13 <u>(3,676,549)</u>	<u>6,328,406</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds on disposal of property, plant & equipment	388,191	170,000
Purchase of property, plant and equipment	(1,401,434)	(629,079)
Withdrawals from financial assets	2,548,481	2,950,204
Investment in financial assets	-	(6,436,491)
Net cash provided by/(used in) investing activities	<u>1,535,238</u>	<u>(3,945,366)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	-	-
Net increase/(decrease) in cash and cash equivalents held	(2,141,311)	2,383,040
Cash and cash equivalents at beginning of year	<u>6,064,923</u>	<u>3,681,883</u>
Cash and cash equivalents at end of financial year	3 <u><u>3,923,612</u></u>	<u><u>6,064,923</u></u>

The accompanying notes form part of these financial statements.

Life Saving Victoria Limited

ACN: 102 927 364

Notes to the Financial Statements For the Year Ended 30 June 2019

The financial statements cover Life Saving Victoria Limited as an individual entity, incorporated and domiciled in Australia. Life Saving Victoria is a Not For Profit Limited is a company limited by guarantee.

The financial statements were authorised for issue on [insert date] by the directors of the Entity.

1 Summary of Significant Accounting Policies

Basis of preparation

These general purpose financial statements have been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. 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 Recognition

Grant revenue

Grant income is recognised when the company obtains control over the assets comprising these receipts. For reciprocal grants, the company is deemed to have assumed control when the performance has occurred under the grant conditions. For non-reciprocal grants, the company is deemed to have assumed control over granted assets upon their receipt (or acquittal) and valued at their fair value at the date of the non-reciprocal transfer. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

	2019	2018
	\$	\$
Conditions on Grants		
Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:	805,042	664,309
Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:	<u>(664,309)</u>	<u>(1,094,700)</u>
Net Increase/(Decrease) in Restricted Assets Resulting from Grant Revenues for the Year:	<u>140,733</u>	<u>(430,391)</u>
Unspent Grants received on Condition that they be spent in a Specific Manner:		
Balance at start of year	664,309	1,094,700
Other Grants received	805,042	664,309
Emergency Services Volunteer Sustainability Grant Expended	-	(1,094,700)
Other Grants Expenses from prior year	<u>(664,309)</u>	<u>-</u>
Balance at Year End	<u>805,042</u>	<u>664,309</u>

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Notes to the Financial Statements For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies (continued)

(a) Revenue Recognition (continued)

Other Income

Other 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.

Interest Revenue

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax.

(b) 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 (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

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

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

Short-term employee benefits provisions

Provision is made for the Entity's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and annual leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

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Notes to the Financial Statements For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies (continued)

(d) Employee benefits (continued)

Other long-term employee benefits provisions

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the re-measurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee provisions expense.

The Entity's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the Entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current employee provisions.

(e) Property, plant and equipment

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

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(l) for details of impairment).

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 Entity and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

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

(f) Property, plant and equipment

Depreciation

The depreciable amount of fixed assets are depreciated commencing from the time the asset is held ready for use. The depreciation/amortisation rates and methods used for each class of depreciable assets are:

Asset class	Useful life	Depreciation method
Leasehold improvements		
- core building	30 years	Prime cost
- other component	10-13 years	Prime cost
Motor vehicles	5 to 6 years	Prime cost
Plant and equipment	2 to 5 years	Prime cost
Computer and office equipment	2 to 3 years	Diminishing value

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Notes to the Financial Statements For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies (continued)

(f) Property, plant and equipment (continued)

Depreciation (continued)

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

The depreciation rates have remained consistent from prior periods.

Leasehold Improvements

Leasehold Improvements represent the construction costs of the State Headquarters building in Port Melbourne, where the land is owned by The Department of Environment, Land, Water and Planning and leased to LSV. The asset is amortised over the lower of the term of the lease and expected useful life of individual assets.

(g) Inventories

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

(h) Leases

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the Entity, are classified as finance leases.

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(i) Cash and cash equivalents

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

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Notes to the Financial Statements For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies (continued)

(j) Financial instruments

The Company has applied AASB 9: *Financial Instruments* using the cumulative effective method. Therefore comparative information has not been restated and continued to be presented under AASB 139: *Financial Instruments*.

Initial recognition and measurement

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.

Classification and subsequent measurement

In the comparative period

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Life Saving Victoria Limited

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Notes to the Financial Statements For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies (continued)

(j) Financial instruments (continued)

In the comparative period (continued)

(iii) *Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

In the current period

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.

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Notes to the Financial Statements For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies (continued)

(j) Financial instruments (continued)

In the current period (continued)

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 financial asset is managed solely to collect contractual cash flows; and
- 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.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- 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 Company 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 groupings is documented appropriately, so the performance of the financial liability that is part of a Company 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.

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 (ie 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.

Life Saving Victoria Limited

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Notes to the Financial Statements For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies (continued)

(j) Financial instruments (continued)

In the current period (continued)

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.

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 Company 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.

(k) Impairment of financial assets

Impairment of financial assets is recognised in the form of a loss allowance for expected credit loss. The loss allowance is measured as a life-time expected credit loss if, at the reporting date, the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance is measured as 12-month expected credit loss if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition.

The entity determines whether there has been a significant increase in credit risk since initial recognition by comparing the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition using reasonable and supportable information, unless the financial instrument is determined to have low credit risk at the reporting date.

Changes in expected credit losses from the previous reporting period are recognised in profit or loss as an impairment gain or loss.

Expected credit losses are measured with reference to the maximum contractual period and considering

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Trade receivables (other than government subsidies) are written off if there is objective evidence regarding bankruptcy or insolvency of the debtor and no guarantees are otherwise available from any third party on behalf of the debtor. This is the approach even if enforcement activities have already been initiated. Government subsidies are written off if there is evidence regarding changes in Government policies or non-compliance with the conditions related to the grant that the entity is no longer eligible to the subsidies.

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Notes to the Financial Statements For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies (continued)

(l) Impairment

At the end of each reporting period, the entity reviews the carrying amounts 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 of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

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

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 entity 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.

(m) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(k) for further discussion on the determination of impairment losses.

(n) Accounts Payable and Other Payable

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

(o) Intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance such as computer software and development costs. The amortisable amount of intangible assets is amortised over their useful lives commencing from the time the asset is held for use.

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 LSV.

The amortisation rate used for intangible assets are IT Development Costs 2 to 5 years.

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Notes to the Financial Statements For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies (continued)

(p) Provisions

Provisions are recognised when the Entity 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 the end of the reporting period.

(q) Comparative Figures

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

When the Entity retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period, in addition to the minimum comparative financial statements, must be disclosed.

(r) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgements incorporated into the financial statements 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 Entity.

Key estimates

Estimation of useful lives of assets

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Key judgements

Employee benefits provision

As discussed in note 1(d), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Life Saving Victoria Limited

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Notes to the Financial Statements For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies (continued)

(s) New Standards Adopted as at 1 July 2018

AASB 9 *Financial Instruments* replaces AASB 139 '*Financial Instruments: Recognition and Measurement*'. The new Standard makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

The Company's adoption of AASB 9 has not had a material effect on the Company. The Company has changed its financial instruments accounting policies please refer to Note 1(j).

The following table represents the classification and measurement of financial assets and financial liabilities under AASB 9 and AASB 139 at the date of initial application, 1 July 2018.

Financial Instruments as at 30 June 2018	AASB 139 Classification	AASB 9 Classification	Carrying Amount per AASB 139 on 30 June 2018 \$	Carrying Amount per AASB 9 on 1 July 2018 \$
Trade and other receivables	Loans and receivables (Amortised cost)	Amortised Cost	848,355	848,355
Financial Assets	Amortised cost	Amortised cost	16,672,573	16,672,573
Trade and other payables	Amortised cost	Amortised cost	654,507	654,057
Financial liabilities	Amortised cost	Amortised cost	16,839,277	16,839,277

(t) New Accounting Standards and Interpretations

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the Entity. The directors have decided not to early-adopt any of the new and amended pronouncements. The following sets out their assessment of the pronouncements that are relevant to the Entity but applicable in future reporting periods.

AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019)

The Entity has chosen not to early-adopt AASB 16. A core change resulting from applying AASB 16 is that most leases will be recognised on the balance sheet by lessees as the standard no longer differentiates between operating and finance leases. An asset and a financial liability are recognised in accordance to this new Standard. There are, however, two exceptions allowed: short-term and low-value leases.

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

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Notes to the Financial Statements For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies (continued)

(t) New Accounting Standards and Interpretations (continued)

The main changes introduced by this standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The Directors expect that the adoption of AASB 16 will affect primarily the accounting for the Company's operating leases. As at the reporting date, the Company has non-cancellable operating lease commitments of \$165,167. However, the Company has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Company's statement of profit or loss and classification of cash flows.

AASB 1058: *Income of Not-for-Profit Entities* (applicable to annual reporting periods beginning on or after 1 January 2019) and AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 January 2019)

The Entity has chosen not to early-adopt AASB 1058 and AASB 15. However, the Entity has conducted a high-level assessment of the impact of these new Standards, as follows.

A core change under AASB 1058 and AASB 15 is that focus shifts from a reciprocal/non-reciprocal basis to a basis of assessment that considers the enforceability of a contract and the specificity of performance obligations. AASB 1058 is applicable when an entity receives volunteer services or enters into other transactions where the consideration to acquire the asset is significantly less than the fair value of the asset principally to enable the Entity to further its objectives.

The significant accounting requirements of AASB 1058 are as follows:

- Income arising from an excess of the initial carrying amount of an asset over the related contributions by owners, increases in liabilities, decreases in assets and revenue arising from contracts with customers should be immediately recognised in profit or loss. For this purpose, the assets, liabilities and revenue are to be measured in accordance with other applicable Standards.
- Liabilities should be recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the Entity to acquire or construct a recognisable non-financial asset that is to be controlled by the Entity) over any related amounts recognised in accordance with the applicable Standards. Income must be recognised in profit or loss when the Entity satisfies its obligations under the transfer.

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Notes to the Financial Statements For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies (continued)

(t) New Accounting Standards and Interpretations (continued)

AASB 15 applies where there is an “enforceable” contract with a customer with “sufficiently specific” performance obligations which results in income being recognised when (or as) the performance obligations are satisfied under AASB 15, as opposed to immediate income recognition under AASB 1058. AASB 15 introduces a five-step approach to revenue recognition which is far more prescriptive than AASB 118: *Revenue*.

AASB 15 and AASB 1058 will be applied by the Entity from its mandatory adoption date of 1 July 2019. The modified transition approach will be the chosen approach, and thus the comparative amounts for the year prior to first adoption will not be restated and the entity will recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application (1 July 2019).

The accounting for the revenue stream “Government grants – operating” will be primarily affected by these new Standards.

The income recognition for each grant has been assessed on a high-level basis to determine whether it is enforceable and whether its performance obligations are sufficiently specific. For those grant contracts that are not enforceable or the performance obligations are not sufficiently specific, this will result in immediate income recognition under AASB 1058. Income will be deferred under AASB 15 otherwise.

The Directors expect that the adoption of AASB 15 and AASB 1058 will primarily impact the accounting for the grant revenue stream.

AASB 2018-8: *Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities* (applicable to annual reporting periods beginning on or after 1 January 2019)

For leases that have significantly below-market terms and conditions principally to enable the Entity to further its objectives (commonly known as “peppercorn”/concessionary leases), AASB 2018-8 provides a temporary option for not-for-profit lessees to elect to measure a class (or classes) of right-of-use assets arising at initial recognition either at fair value or cost.

Where an entity elects to measure the class of right-of-use assets at cost, additional qualitative and quantitative disclosures are required and this shall include:

- the entity's dependence on these peppercorn/concessionary leases;
- and the nature and terms of the leases.

The Company has one peppercorn lease. However, the Company has not yet determined if they will fair value the lease or elect to hold at cost.

Life Saving Victoria Limited

ACN: 102 927 364

Notes to the Financial Statements For the Year Ended 30 June 2019

3 Cash and Cash Equivalents

	2019	2018
Note	\$	\$
Operating bank accounts	3,920,488	6,060,848
Cash on hand	3,124	4,075
	<u>3,923,612</u>	<u>6,064,923</u>

4 Trade and Other Receivables

CURRENT		
Trade receivables	1,655,397	677,831
Provision for doubtful debts	(a) (8,875)	(27,547)
	<u>1,646,522</u>	<u>650,284</u>
Accrued income	88,649	111,134
Other receivables	13,662	86,937
	<u>1,748,833</u>	<u>848,355</u>

(a) Provision for Doubtful Debts

Balance beginning of the year	27,547	14,232
Charge for the year	11,865	43,186
Amounts written off	(30,537)	(29,871)
Balance at end of the year	<u>8,875</u>	<u>27,547</u>

5 Financial Assets

Term Deposits

Surf Life Saving Foundation on behalf of LSV	11,255,715	13,876,178
Other bank term deposits	2,868,377	2,796,395
	<u>14,124,092</u>	<u>16,672,573</u>

(a) Restrictions on Cash and Financial Assets

Description

Funds held in trust for clubs	9	12,049,715	16,839,277
Conditions on grants received	10	1,487,795	1,274,730
Conditions on grants recognised as revenue	1(a)	805,042	664,309
Total		<u>14,342,552</u>	<u>18,778,316</u>

Life Saving Victoria Limited

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Notes to the Financial Statements For the Year Ended 30 June 2019

6 Property, plant and equipment

	Note	2019 \$	2018 \$
Plant and Equipment			
At cost		485,762	291,764
Less: Accumulated depreciation		(308,227)	(261,280)
Total furniture and equipment		<u>177,535</u>	<u>30,484</u>
Motor vehicles			
At cost		1,816,658	1,549,504
Less: Accumulated depreciation		(343,357)	(401,862)
Total motor vehicles		<u>1,473,301</u>	<u>1,147,642</u>
Computer and Office Equipment			
At cost		566,828	477,038
Less: Accumulated depreciation		(497,729)	(425,168)
Total computer and office equipment		<u>69,099</u>	<u>51,870</u>
Leasehold Improvements			
At cost		6,788,333	6,642,270
Less: Accumulated amortisation		(4,016,185)	(3,827,994)
Total leasehold improvements		<u>2,772,148</u>	<u>2,814,276</u>
Total property, plant and equipment		<u><u>4,492,083</u></u>	<u><u>4,044,273</u></u>

(a) Movements in carrying amounts of property, plant and equipment

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

	Furniture and Equipment \$	Motor Vehicles \$	Computer and Office Equipment \$	Leasehold Improvements \$	Total \$
Year ended 30 June 2018					
Balance at the beginning of year	32,319	1,045,592	43,748	3,077,307	4,198,966
Additions	14,884	525,911	76,897	11,387	629,079
Disposals	-	(155,440)	-	-	(155,440)
Depreciation	(16,719)	(268,421)	(68,774)	(274,418)	(628,332)
Balance at the end of the year	<u>30,484</u>	<u>1,147,642</u>	<u>51,871</u>	<u>2,814,276</u>	<u>4,044,273</u>
Year ended 30 June 2019					
Balance at the beginning of year	30,484	1,147,642	51,871	2,814,276	4,044,273
Additions	193,998	971,583	89,790	146,063	1,401,434
Disposals	-	(704,428)	-	-	(704,428)
Depreciation	(46,947)	(294,781)	(72,562)	(188,191)	(602,481)
Depreciation write back	-	353,285	-	-	353,285
Balance at the end of the year	<u>177,535</u>	<u>1,473,301</u>	<u>69,099</u>	<u>2,772,148</u>	<u>4,492,083</u>

Life Saving Victoria Limited

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Notes to the Financial Statements For the Year Ended 30 June 2019

7 Intangible Assets

	2019	2018
	\$	\$
IT Systems Development		
Cost	274,537	274,537
Less: Accumulated amortisation	<u>(273,807)</u>	<u>(257,406)</u>
Total IT systems development	<u>730</u>	<u>17,131</u>
Total Intangibles	<u><u>730</u></u>	<u><u>17,131</u></u>

(a) Movements in carrying amounts of Intangible assets

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

	2019	2018
	\$	\$
Carrying amount at the beginning of the year	17,131	60,965
Acquisitions	-	-
Less - Amortisation charge for the year	<u>(16,401)</u>	<u>(43,834)</u>
Carrying amount at end of year	<u>730</u>	<u>17,131</u>

8 Trade and Other Payables

Trade accounts payables	478,627	186,732
Other payables and accrued expenses	<u>648,184</u>	<u>467,775</u>
	<u><u>1,126,811</u></u>	<u><u>654,507</u></u>

9 Financial Liabilities

CURRENT		
Funds held in Trust for Life Saving Clubs*	<u>12,049,716</u>	16,839,277
	<u><u>12,049,716</u></u>	<u><u>16,839,277</u></u>

* Fund held in Trust for Clubs

"Funds held in Trust for Clubs" represents grants received by Life Saving Victoria Ltd in an agency capacity to be passed on to clubs named in the relevant grant agreements.

In an agency relationship, the gross inflows of economic benefits include amounts collected on behalf of the principal and which do not result in increases in equity for the entity. The amounts collected on behalf of the principal are not revenue. Instead, revenue is the amount of commission. In this instance the commission has no value.

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Notes to the Financial Statements For the Year Ended 30 June 2019

9 Financial Liabilities (continued)

An entity is acting as a principal when it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services. In addition, when the entity has the primary responsibility for providing the goods or services to the customer or for fulfilling the order, for example by being responsible for the acceptability of the products or services ordered or purchased by the customer.

Funds received for Club Redevelopment and upgrades and the Volunteer Emergency Services Equipment Program (VESEP) are under an agency relationship.

10 Income in Advance

	2019	2018
	\$	\$
Grants received in advance	1,487,795	1,274,730
Other income in advance	221,164	33,152
Total	1,708,959	1,307,882

11 Employee Benefits

CURRENT

Liability for annual leave	630,107	584,380
Liability for long service leave	410,136	314,004
	1,040,243	898,384

NON-CURRENT

Liability for long service leave	53,468	65,728
Total Provisions	1,093,711	964,112

(a) Movement in Employee Provisions

Balance at the beginning of the year	964,112	886,034
Additional provisions	647,921	345,276
Amounts used	(518,322)	(267,198)
Balance at the end of the year	1,093,711	964,112

(b) Employee Benefits Expense

Wages and Salaries	7,526,364	6,257,464
Superannuation	779,490	658,890
Workers Compensation	65,471	64,131
Total	8,371,325	6,980,485

Life Saving Victoria Limited

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Notes to the Financial Statements For the Year Ended 30 June 2019

12 Financial Risk Management

LSV's activities do not expose it to many financial risks, with only credit risk and interest rate risk being needed to be actively managed.

	Note	Category \$	Carrying amount 2019 \$	Carrying amount 2018 \$
Financial assets				
Cash and cash equivalents(i)	3	N/A	3,920,488	6,060,848
Receivables(ii)	4	Receivables (at amortised cost)	1,646,502	654,043
Financial Assets	5	Financial assets measured at amortised cost.	14,124,092	16,672,573
Financial liabilities				
Payables(iii)	8	Financial liabilities measured at amortised cost	657,941	573,529

(i) Excludes cash at hand

(ii) Excludes statutory receivables (i.e. net GST receivable) and accrued income

(iii) Excludes statutory payables (i.e. PAYG payable)

(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.

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.

Maturity analysis of financial assets

	Carrying amount \$	Not past due and not impaired \$	Past due but not impaired		
			Less than 1 month \$	1-2 Months \$	More than 3 months \$
2019					
Cash assets	3,923,612	3,923,612	-	-	-
Receivables	1,655,397	1,401,255	72,160	49,602	132,380
Financial assets	14,124,092	14,124,092	-	-	-
	19,703,101	19,448,959	72,160	49,602	132,380
2018					
Cash assets	6,060,848	6,060,848	-	-	-
Receivables	654,042	262,416	69,089	145,756	176,781
Financial assets	16,672,573	16,672,573	-	-	-
	23,387,463	22,995,837	69,089	145,756	176,781

Life Saving Victoria Limited

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Notes to the Financial Statements For the Year Ended 30 June 2019

12 Financial Risk Management (continued)

(b) Liquidity risk

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.

(c) 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.

(d) Interest rate risk

Exposure to interest rate risk might arise primarily through the Company's cash and deposits, and other financial assets. Minimisation of risk is achieved by mainly undertaking fixed rate or non-interest bearing financial instruments.

The carrying amounts of financial assets that are exposed to interest rates are outlined in the following table:

	Weighted average interest rate	Carrying amount	Fixed interest rate	Variable interest rate	Non-interes t bearing
		\$	\$	\$	\$
2019					
Financial assets:					
Cash assets	1.25%	3,923,612	-	3,923,612	-
Financial Assets	2.58%	14,124,092	14,124,092	-	-
2018					
Financial assets:					
Cash assets	1.75%	6,060,848	-	6,060,848	-
Financial Assets	2.87%	16,672,573	16,672,573	-	-

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 2.4 % (weighted average).

Life Saving Victoria Limited

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Notes to the Financial Statements For the Year Ended 30 June 2019

(d) Interest rate risk (continued)

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.

	Carrying amount	Interest rate risk			
		-1% (100 basis points)		+1% (100 basis points)	
		Profit	Equity	Profit	Equity
2019					
Cash assets	3,923,612	(39,236)	(39,236)	39,236	39,236
Financial Assets	14,124,092	-	-	-	-
2018					
Cash assets	6,060,848	(60,608)	(60,608)	60,608	60,608
Financial Assets	16,672,573	-	-	-	-

13 Cash Flow Information

Reconciliation of result for the year to cash flows from operating activities

	2019	2018
	\$	\$
Surplus/(deficit) for the year	409,854	(7,256)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation / amortisation	618,881	672,166
- net gain/(loss) on disposal of assets	(37,047)	(14,560)
Changes in assets and liabilities:		
- (increase)/decrease in receivables	(939,284)	390,977
- (increase)/decrease in prepayments	1,387	(2,598)
- (increase)/decrease in inventories	39,920	(125,479)
- increase/(decrease) in payables	(5,585,423)	5,640,987
- increase/(decrease) in deferred income	1,685,564	(303,909)
- increase in provisions	129,599	78,078
Cash flows from operations	(3,676,549)	6,328,406

Life Saving Victoria Limited

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Notes to the Financial Statements For the Year Ended 30 June 2019

14 Key Management Personnel Remuneration

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by Life Saving Victoria, or on behalf of the Company, in exchange for services rendered, and is disclosed in the following categories:

- Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.
- Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.
- Other long-term benefits include long service leave, other long-service benefit or deferred compensation.

The totals of remuneration paid to the key management personnel of Life Saving Victoria Limited during the year are as follows:

	2019	2018
	\$	\$
Short-term employee benefits	1,148,697	1,132,932
Post-employment benefits	111,504	85,346
Long-term benefits	28,781	24,923
	1,288,982	1,243,201

15 Related Party Transactions

Transactions with Director Related Entities

During the year the Life Saving Victoria (LSV) transacted with:

- Shane Dunne is the Chief Executive Officer of Aligned Leisure.
LSV has provided water safety related services to Aligned Leisure. The amounts invoiced to Aligned Leisure amounted to \$52,297 (2018: \$20,641). There were the following outstanding balances at the reporting dates under review; payable to Aligned Leisure \$Nil (2018: \$Nil); and receivable from Aligned Leisure \$715 (2018: \$4,172).
- Liz Tesone is an employee of the YMCA responsible for all State and National aquatics programs and strategic relationship management with key peak bodies and sporting organisations.
YMCA provides various water safety services to LSV and LSV has provided water safety related services to YMCA. The amounts invoiced to YMCA amounted to \$208,933 (2018: \$212,459). The amounts purchased from YMCA amounted to \$107,410 (2018: \$195,640). There were the following outstanding balances at the reporting dates under review; payable to YMCA \$2,137 (2018: \$ 4,368); and receivable from YMCA \$ 30,982 (2018: \$9,667).

These transactions with Director related entities were made on terms equivalent to those that prevail in arm's length transactions.

There were no related party transactions, loans to / from related parties, and no trade receivables from or trade payables to related parties during the current and previous financial year that were not at arms-length, other than those disclosed below:

Transactions with Staff

The Company periodically offers its fleet vehicles for sale to staff (and their immediate family members) priced at the amount offered to the Company by a Licensed Motor Car Trader. During the year, 3 vehicles were sold by the company to Executives and/or staff or their immediate family (2018: nil).

Life Saving Victoria Limited

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Notes to the Financial Statements For the Year Ended 30 June 2019

16 Auditors' Remuneration

	2019	2018
	\$	\$
Audit Services		
- Auditors to the Company	28,000	25,300
- other services	3,500	-
Total Audit Services	31,500	25,300

17 Commitments

Commitments arising from contracts for expenditure not provided in the accounts:

- not later than one year	77,582	43,661
- between one year and five years	86,185	79,885
- later than five years	1,400	1,492
Total Operating Lease Commitments	165,167	125,038

18 Contingent Liabilities

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2019 (30 June 2018: None).

19 Interest in Surf Life Saving Foundation Inc.

The Surf Life Saving Rescue Fund Trust (the Trust), of which the Surf Life Saving Foundation Inc. (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. Accordingly, these funds are not recognised in the Statement of Financial Position. At 30 June 2019 LSV had a beneficial interest in funds within the Trust that had a market value of \$3,226,074 (30 June 2018:\$3,056,333).

LSV receives distributions from Surf Life Saving Australia of funds raised by the Foundation from fundraising activities undertaken on behalf of LSV. Distributions received in 2018-19 totalled \$466,323 (2017-18:\$468,373).

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.

20 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

21 Members' Liability

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 1 each towards meeting any outstanding and obligations of the Company. At 30 June 2019 the number of members was 35,383 (2018: 36,372).

Life Saving Victoria Limited

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Notes to the Financial Statements For the Year Ended 30 June 2019

22 Company Details

The registered office and principal place of business of the company is:
Life Saving Victoria Limited
200 The Boulevard
Port Melbourne Victoria 3207

Life Saving Victoria Limited

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Directors' Declaration

The directors of the entity declare that:

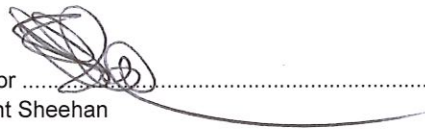
1. The financial statements and notes, as set out on pages 13 to 40:
 - (a) comply with Australian Accounting Standards, the *Australian Charities and Not-for-profits Commission Act 2012* and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

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

Director
Paul James
President




Director
Vincent Sheehan
Director



Melbourne

Dated this day of 2019



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIFE SAVING VICTORIA LIMITED

Opinion

We have audited the financial report of Life Saving Victoria Limited ("the Company") which comprises the statement of financial position as at 30 June 2019, the statement of profit and loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors declaration.

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

- a) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance and cash flows for the year then ended; and
- b) complying with Australian Accounting Standards 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 Company in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of 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 confirm that the independence declaration required by Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to directors, would be in the same terms if given as at the time of this auditor's report.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2019, 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.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *ACNC Act* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 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 the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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.
- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director'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 Company'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 Company to cease to continue as a going concern.
- 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 the directors 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.

ShineWing Australia

ShineWing Australia
Chartered Accountants



Hayley Underwood
Partner
Melbourne, 14 October 2019