

LIFE SAVING VICTORIA LIMITED
ACN 102 927 364

30 JUNE 2018
ANNUAL FINANCIAL REPORT

LIFE SAVING VICTORIA LIMITED
ACN 102 927 364

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**LIFE SAVING VICTORIA
ACN 102 927 364**

DIRECTORS REPORT

This Report is made pursuant to the Corporations Act 2001

COMPANY PARTICULARS

The registered office of the Company is:

Life Saving Victoria Limited
200 The Boulevard
Port Melbourne VIC 3207

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

MEMBERS LIABILITY

The Company is limited by guarantee. If the Company is wound up, the Constitution states that each member, of which there are approximately 37,000, is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the Company.

The directors present their report together with the financial statements of Life Saving Victoria Limited for the year ended 30 June 2018 and the Auditor's Report thereon.

DIRECTORS –

Thomas Mollenkopf President
Norman Farmer ESM (resigned April 2018)
Darren McLeod
David Rylance
David Schultz
Vincent Sheehan
Jeannene Stewart (resigned October 2017)
Peter Williams
Rachael Rylance
Angela Malan
Liz Tesone (appointed February 2018)
Shane Dunne (appointed February 2018)
Susan Wolff (appointed May 2018)

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

PRINCIPAL ACTIVITIES

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

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

REVIEW OF OPERATIONS AND RESULTS

In 2017-18 Life Saving Victoria significantly enhanced aquatic safety in Victoria in progressing a number of key strategic initiatives including:

1. In partnership with State Government, establishing processes to allow schools to deliver on the State's commitment to compulsory learn to swim and water safety education in the school curriculum. Initial funds were made available to support the program, with State Government giving notice that these funds would be significantly increased in the 2018/19 budget.
2. Progressing nine lifesaving club facilities through various stages of planning, design and construction. Seed funding for an additional four facilities was announced.
3. LSV being appointed as the lead agent for the industry/government partnership which will deliver and administer a Victorian Code of Practice for all public pools across the state.
4. An increase of almost \$1 million to \$3.45m in income generated by LSV's Public Training and Pool Safety social enterprise activities.
5. Completion of a \$1million package of projects under the Emergency Services Volunteer Sustainability (ESVS) program funded in 2016-17 (see below)

These initiatives have significant immediate and longer term strategic benefits in enhancing the safety of all Victorians in the aquatic environment, building on our strong working relationship with State Government, in strengthening the capacity of our lifesaving clubs and key aquatic safety stakeholders and partners into the future.

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DIRECTORS REPORT (Cont)

Our positive achievements and steady ongoing progress in 2017-18 should be seen in the context of work which has been undertaken over recent years, which will continue into the future, across the broad range of aquatic safety roles we play, as a key member of Emergency Management Victoria. In addition, for the first time in 2017-18 LSV was recognised as the key educator in the water safety sector with funds allocated from the Department of Education and Training (DET) in the 2018-19 state budget to increase the capacity of the education and aquatic sectors to deliver quality swimming and water safety in schools.

It is important to acknowledge the great work of our 57 affiliated life saving clubs, with a record membership of 36,372 in 2017-18. With over 2.9 Million Beach attendances, 118,667 preventative action were taken with 659 rescues.

Other key successes within Lifesaving operations and clubs this year were

- Roll out of Ipad's to each club to assist with the training of volunteers and cut down the administrative burden on clubs
- LSV lifesaving operations representatives were placed inside the State Control Centre, integrating with other emergency services representatives, and providing direct access to the Emergency Management Commissioner.
- With the tragic summer season seeing the highest drowning figures in Victoria for twenty years, as well as an increase in rip currents, LSV upskilled personnel in rip current education, as well as creating public safety messaging campaigns focused on this area.

It was pleasing to facilitate in 2017-18 the following expenditures under the ESVS grant that supported key club activities:

- A comprehensive lifesaving facilities audit
- Additional water safety equipment including IRBs and requisite trailers
- Equipment facilitating Flexible Volunteer response including jet skis, trailers, rescue sleds and other safety equipment
- An operational/program risk assessment tool including a prototype development for App, beta testing and infield trial
- Upgrade for VET CERT IV changes with Diploma training and Assessment
- Upgrade for the Trainers apps and relevant technology
- Operational Readiness for patrol and club captains with training development and delivery to 120 volunteer leaders
- Additional equipment to enhance our Active training program and skill development
- Rip Current education with the development of a relevant platform and training using virtual reality headsets
- Enhancement of the everyday lifesaver App with content upgrade and education
- Provision of Uniforms for Volunteers
- Development of a record management and archiving system with relevant overarching frameworks and policies
- Over 55's Volunteer Strategy Development including training resource development and delivery

Through our clubs, our more than 400 permanent and seasonal staff, our licensees, community education and aquatic industry members, and associated marine and rescue organisations, we continue to engage in all areas of the community to build positive partnerships and strengthen community resilience through a range of strategies and initiatives.

The State Government also continues to acknowledge the need for Education within multicultural communities with the provision of specialist water safety programs, with \$ 427,870 made available for this purpose in 2017-18 (2016-17 - 419,190), benefiting over 15,000 participants. With continued support from the Victorian Government, LSV will help shape a more cohesive Victoria, proactively grasping both the challenges and opportunities the increased diversity represents. Our Multicultural team has published an important document, widely lauded in Emergency Management, discussing Multicultural Water safety, Settlement and Social cohesion, detailing the importance of teaching vital life skills in the early stages of settlement.

FINANCIAL

Life Saving Victoria's annual expenditure shows ongoing steady growth year-on-year as we secure increasing funding for a wide range of important aquatic safety programs and initiatives, delivered by LSV, our clubs and other stakeholders.

Annual expenditure in 2017-18 was \$15,703,079, compared to \$12,969,731 in 2016-17, a growth of 21% (8% due to the ESVS grant) with a 50% increase in the investment in Life saving operations and a 12% increase in Training and Education Programs.

A small deficit of \$7,256 in 2017-18 was largely due to the inclusion of expenses relating to the 2016-17 ESVS grant of \$1,094,700, with the related income recognised in 2016-17, resulting in a surplus that year of \$1,106,007. Likewise, over \$868K of revenue from a wide range of grant revenue streams has been recognised within the 2017-18 year, however the expenses for the delivery of these program will be included in the 2018-19 year. 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.

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

- There has been continued benefit from significant grant funding from various Local, State and Commonwealth agencies. In 2017-18 these grants totaled \$6.5 Million and represented 41% of total income (2016-17 50%). As per the 2016-17 year this does not include funds received for facilities which are deemed to be held in trust for the clubs.
- Additional Government funding of \$6.0 Million for lifesaving facility upgrades (2016-17 \$6 Million) including \$1.5M for urgent upgrades as a result of the facilities audit
- Increased revenue from the Education and Multicultural areas has led to a result of nearly \$150K ahead of budget, enabling the provision of additional programs and services within the school and multicultural communities
- An investment in an Active Training (Aquatic Sports) review will see a number of initiatives employed in the 2018-19 season to improve and enhance the program for all competitors

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DIRECTORS REPORT (Cont)

- The Surf Life Saving Foundation distributions received totaled \$468,373 (2017-18 \$309,617). Funds were acknowledged as income during the financial year, in line with the treatment in prior years and contributed to the result.
- With a new lease for the LSV State Centre being signed for an additional 20 years with the Department of Environment, Land Water and Planning (DELWP), annual amortisation of the current building has decreased to reflect the useful life.
- 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 was

	2017-18	2016-17
Result per Management Account	\$ 218,649	\$ 11,307
ESVS Expenses	\$ (1,094,700)	\$ (56,792)
Grants recognized under AASB 1004	\$ 868,795	\$ 1,151,492
Result per Financial Statements	\$ (7,256)	\$ 1,106,007

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 39% (2016-17 34%) and recurring government grants (excluding facilities) at 28 % (2016-17 33.5%) . Distribution of funding shows over 51% of all funds directed towards the provision of life saving services with 22% of this directly to clubs as grants (5% as facilities grants), with 33% invested in the core LSV service of Public Training, Education and Pool Safety Services.

Life Saving Victoria's financial position continues to strengthen with significant investment in all areas of activity. The continued strength of principal indicators within the balance sheet combined with the application of a defined investment strategy ensures funds are invested for future lifesaving needs. As Life Saving Victoria continues to deliver high quality water safety and aquatic programs, more government funding is being made available to continue growing these essential services within the community.

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

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

LIKELY DEVELOPMENTS

LSV will continue the Principal Activities.

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DIRECTORS REPORT (Cont)

Meetings of Directors

During the financial year there were 8 meetings of Directors,

The number of meetings attended by each Director during the year is stated below.

INFORMATION ON DIRECTORS

Tom Mollenkopf

LSV President and Board Chair

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

Occupation: CEO

Tom 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 Senior Vice-President of the International Water Association and a Director of Dandenong Market and 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 with the International Water Association in London and South-East Water in 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
Meetings	8 - 8

Norman Farmer ESM

Director Aquatic Education and Industry Engagement Council (resigned 16 April 2018)

Grad Dip Mgmt AGSM

Occupation: Retired General Manager/Aquatic Safety Consultant

Norm is currently an Aquatic Safety Consultant. Norm was a General Manager with Surf Life Saving Australia (2007 to 2014) having previously been CEO of RLSSA Victoria Branch (1998 to 2005) and joint CEO of Life Saving Victoria (2003/2005). Norm has experience in not for profit management, water safety program design in Australia and overseas, aquatic facility design, management and operation, and was editor of the Guidelines for Safe Pool Operation from 1992 to 2005. Norm is currently Vice-President and Asia-Pacific Regional President of the International Life Saving Federation-ILS, Executive Director of the RLSS (Commonwealth), a Life Governor of the Mordialloc LSC and a member of the Frankston LSC.

Appointed	March 2014
Ceased	April 2018
Meetings	5 - 5

Darren McLeod

Director Lifesaving Services

Occupation: Business Manager

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
Meetings	7 - 8

David Rylance

Director Training and Assessment

Occupation: Firefighter

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
Meetings	6 - 8

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DIRECTORS REPORT (Cont)

David Schultz MIEAust, CPEng, GAICD

Director Council of Lifesaving Clubs

MIEAust., GAICD

Occupation: Civil Engineer

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 April 2013
Meetings 7 - 8

Vincent Sheehan BEc FCA

Independent Director

Chair of Finance, Risk and Audit Committee

Occupation: Chartered Accountant

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 2017/18 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.

Appointed August 2014
Meetings 8 - 8

Jeannene Stewart BBus, Grad Dip Business Computing, Cert Risk Management, CPA

Independent Director

Occupation: Independent Consultant

Jeannene is a part time consultant across fields of policy, HR, governance, systems, project management and finance. Previously Jeannene was the Director Corporate Services for VICSES for 5 years and before that the Senior Advisor to the Commonwealth Minister for Aging. Prior to that she was the Funding and Retirement Living Manager for Aged and Community Care Victoria. Jeannene is a Certified Practising Accountant with more than 30 years' experience in senior management roles in the welfare, information technology, health and aged care sectors. She has also provided consulting services to the aged care industry and not for profit organisations.

Appointed October 2013
Ceased October 2017
Meetings 2 - 2

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

Director Council of Lifesaving Clubs

Occupation: Business Consultant

Peter is a former executive manager with VicRoads and now provides consulting assistance in the international development sector. 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. He is a Life Member of Anglesea SLSC and continues to patrol there. From 2001 until 2014 Peter was a Trustee of the Anglesea SLSC Foundation.

Appointed April 2013
Meetings 7 - 8

Rachael Rylance

Director Aquatic Sports

Occupation: Manager

Rachael is the Accounts & Transformation Manager at AIA Australia Ltd, she has held various Finance roles over the last 15-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. She has also held several state positions including team manager for the IRB State team and the Pool Panel Coordinator.

Appointed August 2015
Meetings 8 - 8

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DIRECTORS REPORT (Cont)

Angela Malan BBus.

Director Membership & Leadership Development

Occupation: Education Support

Angela has been actively involved at Inverloch Surf Living Saving Club since 2005 and is a current patrolling member. She was Junior Coordinator from 2006-2011 and Club President from 2011-2016. Angela has also held positions at a state level on the Membership and Leadership Development Executive for the past 8 years. Angela represents LSV and its 34,000 plus members on the Ministerial Advisory Council to the Minister for Volunteers. Outside of Lifesaving Angela works in Education support.

Appointed August 2015
Meetings 8 - 8

Shane Dunne MBA

Independent Director

Occupation: CEO

Shane is the CEO of Aligned Leisure and General Manager with the Richmond Football Club where he leads the clubs 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.

Appointed February 2018
Meetings 3 - 4

Liz Tesone B.Ed

Director – Aquatic Education & Industry Engagement Council

Occupation: Aquatic Specialist

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
Meetings 3 - 4

Susan Wolff B.Comm, CPA

Independent Director

Occupation: Compliance Manager

Susan is a Senior Compliance 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 Nipper parent and former Treasurer and current bookkeeper for the Altona Life Saving Club and has been a member of the Governance Committee since April 2017.

Appointed May 2018
Meetings 2 - 2

Alexandra Moule

LSV Company Secretary

LLB (Hons), B.Comm (Hons), FGIA, FCIS

Occupation: Lawyer and Company Secretary

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
Meetings 8 - 8

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DIRECTORS REPORT (Cont)

COMMITTEE MEMBERSHIPS

At 30 June 2018 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 *
Neil Hough*
Jeannene Stewart
Dean Sibun*
Simone Bohan*
Donna Watt*
Adam Alsbury*

Governance Committee

David Shultz
Susan Wolff
Peter Williams
Alexandra Moule*

Honours and Awards Committee

Darren McLeod (Chair)
Michael Martin AM *
Bree Ambry*
Andrew Barnes*
Phillip McGibbon*
Russell Rees*
Dianne Montalto ESM *
Ann-Maree Gadinier
Belinda Porter* (Awards of Excellence Committee Chair)

* Non-Director

INDEMNIFICATION AND INSURANCE OF OFFICERS

Indemnification

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

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

PROCEEDINGS ON BEHALF OF THE ENTITY

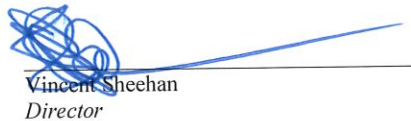
No person has a current application for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings.

AUDITORS' INDEPENDENCE DECLARATION

The auditors' independence declaration is set out on page 28 and forms part of the Directors Report for the 2018 financial year. This financial report is made with a resolution of the Directors.

Signed in accordance with a resolution of the Directors:


Tom Mollenkopf
President


Vincent Sheehan
Director

Melbourne, 9 October 2018.

LIFE SAVING VICTORIA LIMITED
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
INCOME			
Sales		846,609	842,100
Fees for Services		4,581,395	4,116,590
Grants for Clubs		2,763,528	2,497,135
Grants - Other		3,919,982	2,334,578
Emergency Services Volunteer Sustainability Grant		-	1,151,492
Sponsorships		1,507,179	1,462,223
Surf Life Saving Foundation Distributions		468,373	309,617
Other Fundraising and Donations		154,201	103,214
Function Centre		596,147	558,372
Interest Income		473,849	354,269
Realised Gain on Sale of Assets		14,560	89,272
Other Income		370,000	256,876
TOTAL INCOME		15,695,823	14,075,738
EXPENSES			
Cost of Sales		517,418	477,865
Life Saving Operations		4,189,742	2,754,991
Training and Education Programs		3,436,072	3,070,202
Aquatic Risk and Research		591,338	440,850
External Services		1,214,015	1,004,728
Grants Disbursements - Clubs		720,847	594,046
Grant Disbursements – Other		438,510	338,338
Fundraising		343,649	271,219
Function Centre		592,152	558,372
Corporate Administration		2,934,969	2,720,981
Depreciation/Amortisation		672,166	709,515
Other Expenses		52,201	28,624
TOTAL EXPENSES		15,703,079	12,969,731
SURPLUS/(DEFICIT) FOR THE YEAR		(7,256)	1,106,007
COMPREHENSIVE RESULT ATTRIBUTABLE TO THE MEMBERS		(7,256)	1,106,007

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 2018

	Note	2018 \$	2017 \$
ASSETS			
Cash and cash equivalents	3	6,064,923	3,681,883
Trade and other receivables	4	848,355	1,239,332
Prepayments		56,279	53,681
Financial assets	5(a)	16,672,573	13,186,286
Inventories		216,938	91,459
TOTAL CURRENT ASSETS		<u>23,859,068</u>	<u>18,252,641</u>
NON-CURRENT ASSETS			
Property plant and equipment	6	4,044,273	4,198,966
Intangible asset – IT Development	7	17,131	60,965
TOTAL NON-CURRENT ASSETS		<u>4,061,404</u>	<u>4,259,931</u>
TOTAL ASSETS		<u>27,920,472</u>	<u>22,512,572</u>
LIABILITIES			
Trade and other payables	8	654,507	567,699
Funds held in trust for clubs	9	16,839,277	11,285,098
Income in advance	10	1,307,882	1,611,791
Employee provisions	11	898,384	823,553
TOTAL CURRENT LIABILITIES		<u>19,700,050</u>	<u>14,288,141</u>
NON-CURRENT LIABILITIES			
Employee provisions	11(a)	65,728	62,481
TOTAL NON-CURRENT LIABILITIES		<u>65,728</u>	<u>62,481</u>
TOTAL LIABILITIES		<u>19,765,778</u>	<u>14,350,622</u>
NET ASSETS		<u>8,154,694</u>	<u>8,161,950</u>
EQUITY			
Retained surplus		8,154,694	8,161,950
TOTAL EQUITY		<u>8,154,694</u>	<u>8,161,950</u>

The accompanying notes form part of these financial statements

LIFE SAVING VICTORIA LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Retained Surplus
	\$
Balance at 30 June 2016	7,055,943
Surplus for the year	1,106,007
Balance at 30 June 2017	<u>8,161,950</u>
Deficit for year	(7,256)
Balance at 30 June 2018	<u><u>8,154,694</u></u>

The accompanying notes form part of these financial statements.

LIFE SAVING VICTORIA LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from sponsors, donors and customers		24,005,809	19,021,345
Cash paid to suppliers and employees		(18,211,948)	(14,226,378)
Interest received		534,545	354,269
Net cash provided by operating activities	11	6,328,406	5,149,236
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on disposal of property, plant & equipment		170,000	421,318
Purchase of property, plant & equipment		(629,079)	(1,236,342)
Withdrawals from financial assets		2,950,204	-
Investment in financial assets		(6,436,491)	(6,186,542)
Net cash used in investing activities		(3,945,366)	(7,001,566)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		-	-
Net cash provided by financing activities		-	-
Net increase in cash & cash equivalents held		2,383,040	(1,852,330)
Cash and cash equivalents at the beginning of the financial year		3,681,883	5,534,213
Cash and cash equivalents at the end of the financial year	3	6,064,923	3,681,883

The accompanying notes form part of these financial statements

LIFE SAVING VICTORIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

The financial statements cover Life Saving Victoria Limited as an individual entity. The financial statements are presented in Australian dollars, which is Life Saving Victoria Limited's functional and presentation currency.

Life Saving Victoria Limited is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Life Saving Victoria Limited
200 The Boulevard
Port Melbourne VIC 3207

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 09 October 2018. The directors have the power to amend and reissue the financial statements.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

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

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

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and associated regulations and the Corporations Act 2001, as appropriate for not-for-profit entities.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below.

Accounting Policies

(a) *Revenue Recognition*

Grant Income

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONT)

	2018	2017
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:	664,309	1,094,700
Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:	(1,094,700)	-
Net Increase/(Decrease) in Restricted Assets Resulting from Grant Revenues for the Year:	(430,391)	1,094,700
	2018	2017
	\$	\$
Unspent Grants received on Condition that they be spent in a Specific Manner:		
Balance at start of year	1,094,700	-
Other Grants received	664,309	1,151,492
Emergency Services Volunteer Sustainability Grant Expended	(1,094,700)	(56,792)
Balance at Year End	664,309	1,094,700

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.

(b) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables are stated with the amount of GST included.

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

(c) Income Tax Expense

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

(d) Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONT)

(e) *Property, Plant and Equipment*

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

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

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

Depreciation

The depreciable amount of 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:

<i>Asset class</i>	<i>2018 Useful life</i>	<i>2017 Useful Life</i>	<i>Depreciation method</i>
Leasehold improvements			
– core building	30 years	20 years	Prime cost
– other components	10-13 years	10-20 years	Prime cost
Motor vehicles	5 to 6 years	5 to 6 years	Prime cost
Plant and equipment	2 to 5 years	2 to 5 years	Prime cost
Computer and office equipment	2 to 3 Years	2 to 3 years	Diminishing value

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

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.

In 2018, the lease was renegotiated and extended to 31 May 2038. This has resulted in the carrying value of the core building asset now being amortised over the extended period to the end of the lease. The estimated useful remaining useful life of other components has been revised to a maximum of 13 years (previously 20 years). This has resulted in the following impact on amortisation for the year:

Leasehold improvement	Amortisation Charge		
	2017	2018	2019 (expected)
	\$	\$	\$
Core building	276,963	124,633	124,633
Other components	49,703	149,785	55,324
Total	326,666	274,418	179,957

Impairment

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

No items were deemed impaired during the year ended 30 June 2018 (2017: nil).

(f) *Inventories*

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONT)

(g) *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 Company are classified as finance leases. The entity has not entered into any Finance Leases.

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

(h) *Trade and Other Receivables*

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

(i) *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.

(j) *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.

(k) *New Accounting Standards and Interpretations not yet mandatory or early adopted*

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2018. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

Topic	Key requirements	Effective date	Impact on the Company's Financial Statements
<i>AASB 16 Leases</i>	The key changes introduced by <i>AASB 16</i> include the recognition of most operating leases (which are currently not recognised) on balance sheet.	1 January 2019	The assessment has indicated that most operating leases, with the exception of short term and low value leases will come on to the balance sheet and will be recognised as right of use assets with a corresponding lease liability. In the operating statement, the operating lease expense will be replaced by depreciation expense of the asset and an interest charge.
<i>AASB 9 Financial Instruments</i>	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedge accounting model and a revised impairment loss model to recognise expected impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 January 2019	The initial application of AASB 9 is not expected to significantly impact the financial position however there will be a change to the way financial instruments are classified and new disclosure requirements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONT)

<i>(k)</i>	<i>New Accounting Standards and Interpretations not yet mandatory or early adopted (continued)</i>			
<i>Topic</i>	<i>Key requirements</i>	<i>Effective date</i>	<i>Impact on the Company's Financial Statements</i>	
<i>AASB 15 Revenue from Contracts with Customers</i>	The core principle of <i>AASB 15</i> requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 January 2019	The changes in revenue recognition requirements in <i>AASB 15</i> may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.	
<i>AASB 1058 Income of Not- for-Profit Entities</i>	<i>AASB 1058</i> standard will replace the majority of income recognition in relation to government grants and other types of contributions requirements relating to public sector not-for-profit entities, previously in <i>AASB 1004 Contributions</i> .	1 January 2019	The revenue recognition for operating grants will need to be analysed to establish whether further recognition of liabilities for deferral of income can be utilised. The main impact on revenue will be the timing of recognition of income. In addition, the difference in fair value of any assets brought on to the balance sheet and their lease liability (as per <i>AASB 16</i>), will be recognized immediately in the profit and loss.	

In addition to the new standards above, the AASB has issued other amending standards and interpretations, that are not effective for the 2017-18 reporting period, that are not expected to have a significant impact on the Company's reporting.

NOTE 2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

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.

Employee benefits provision

As discussed in note 1, 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.

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	2018	2017
	\$	\$
NOTE 3: CASH AND CASH EQUIVALENTS		
Operating bank accounts	6,060,848	3,678,333
Cash on hand	4,075	3,550
Total cash and cash equivalents	6,064,923	3,681,883

* Restrictions on Cash & Financial Assets - Life Saving Victoria holds funding for Clubhouse redevelopments and other services as disclosed in Note 5 (b).

NOTE 4: TRADE AND OTHER RECEIVABLES

CURRENT

Trade receivables	677,831	1,004,100
Provision for doubtful debts (a)	(27,547)	(14,232)
	650,284	989,868
GST receivable	83,178	45,282
Accrued income	111,134	171,830
Other receivables	3,759	32,352
Total trade and other receivables	848,355	1,239,332

(a) Provision for Doubtful Debts

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

Balance beginning of the year	14,232	48,558
Charge for the year	43,186	-
Amounts written off	(29,871)	(34,326)
Balance at end of the year	27,547	14,232

NOTE 5(a): FINANCIAL ASSETS

Term deposits:		
- Surf Life Saving Foundation on behalf of LSV	13,876,178	10,425,162
- Other bank term deposits	2,796,395	2,761,124
Total financial assets	16,672,573	13,186,286

NOTE 5 (b): RESTRICTIONS ON CASH AND FINANCIAL ASSETS

Life Saving Victoria holds funding for Clubhouse redevelopments and other services.

Funds held in trust for clubs - note 9	16,839,277	11,285,098
Conditions on grants received – note 10	1,274,730	1,542,013
Conditions on grants recognised as revenue– note 1 (a)	664,309	1,094,700
Total restricted cash and financial assets	18,778,316	13,921,811

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 6: PROPERTY, PLANT AND EQUIPMENT

	<u>2018</u>	<u>2017</u>
	\$	\$
Leasehold Improvements		
At cost	6,642,270	6,630,882
Less: accumulated depreciation	(3,827,994)	(3,553,575)
Total leasehold improvements	2,814,276	3,077,307
Motor Vehicles		
At cost	1,549,504	1,308,013
Less: accumulated depreciation	(401,862)	(262,421)
Total motor vehicles	1,147,642	1,045,592
Furniture and Equipment		
At cost	291,764	276,880
Less: accumulated depreciation	(261,280)	(244,561)
Total furniture and equipment	30,484	32,319
Computer and Office Equipment		
At cost	477,037	399,341
Less: accumulated depreciation	(425,166)	(355,593)
Total computer and office equipment	51,871	43,748
Total Property, Plant and Equipment	4,044,273	4,198,966

MOVEMENTS IN CARRYING AMOUNTS

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

	<u>2018</u>		<u>2017</u>		
	Leasehold Improvements	Motor Vehicles	Plant and Equipment	Computer and Office Equipment	Total
Opening WDV	3,077,307	1,045,592	32,319	43,748	4,198,966
Additions	11,387	525,911	14,884	76,897	629,079
Disposals	-	(155,440)	-	-	(155,440)
Depreciation	(274,418)	(268,421)	(16,719)	(68,774)	(628,332)
Closing WDV	2,814,276	1,147,642	30,484	51,871	4,044,273
2017	Leasehold Improvements	Motor Vehicles	Plant and Equipment	Computer and Office Equipment	Total
Opening WDV	3,226,878	623,706	45,338	21,320	3,917,242
Additions	177,095	959,979	24,921	60,437	1,222,432
Disposals	-	(324,514)	-	-	(324,514)
Depreciation	(326,666)	(213,579)	(37,940)	(38,009)	(616,194)
Closing WDV	3,077,307	1,045,592	32,319	43,748	4,198,966

NOTE 7: INTANGIBLE ASSETS

	<u>2018</u>	<u>2017</u>
	\$	\$
IT Systems Development		
At cost	274,537	274,537
Less – Accumulated amortisation	(257,406)	(213,572)
Total IT systems development	17,131	60,965

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 7: INTANGIBLE ASSETS (CONT)

MOVEMENTS IN CARRYING AMOUNTS

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

	<u>2018</u>	<u>2017</u>
	\$	\$
IT Systems Development		
Carrying amount at the beginning of the year	60,965	144,186
Acquisitions	-	10,100
Less - Amortisation charge for the year	(43,834)	(93,321)
Carrying amount at end of year	<u>17,131</u>	<u>60,965</u>

NOTE 8: TRADE AND OTHER PAYABLES

CURRENT

Trade accounts payable	186,732	206,950
Other payables and accrued expenses	467,775	360,749
Total trade and other payables	<u>654,507</u>	<u>567,699</u>

NOTE 9: FUNDS HELD IN TRUST FOR CLUBS

CURRENT

Funds held in Trust for Life Saving Clubs*	16,839,277	11,285,098
Total Funds held in Trust for Clubs	<u>16,839,277</u>	<u>11,285,098</u>

*LSV holds funding for Clubhouse redevelopments and other services. These funds are provided upon the clubs meeting milestones as set out within the EMV Grant conditions. No income or expenditure is recognised in respect of this funding.

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.

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.

Specifically, this includes funds received for Club Redevelopment and upgrades and the Volunteer Emergency Services Equipment Program (VESEP).

	<u>2018</u>	<u>2017</u>
	\$	\$
NOTE 10: INCOME IN ADVANCE		
CURRENT		
Grants received in advance	1,274,730	1,542,013
Other income in advance	33,152	69,778
Income received in advance	<u>1,307,882</u>	<u>1,611,791</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 11 (a): EMPLOYEE PROVISIONS

	2018	2017
	\$	\$
Current		
Liability for annual leave	584,380	548,112
Liability for long service leave	314,004	275,441
	898,384	823,553
Non-current		
Liability for long service leave	65,728	62,481
	964,112	886,034
Total Provisions	964,112	886,034
MOVEMENT IN EMPLOYEE PROVISIONS		
Balance at the beginning of the year	886,034	846,109
Additional provisions	345,276	275,908
Amounts used	(267,198)	(235,983)
Balance at the end of the year	964,112	886,034

NOTE 11(b): EMPLOYEE BENEFITS EXPENSE

	2018	2017
	\$	\$
EXPENSES RECOGNISED FOR EMPLOYEE BENEFITS		
Wages and Salaries	6,257,464	5,219,009
Superannuation	658,890	582,497
Workers Compensation	64,131	57,307
	6,980,485	5,858,813

NOTE 12: FINANCIAL INSTRUMENTS

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.

Financial assets	Note	Category	Carrying amount 2018	Carrying amount 2017
			\$	\$
Cash and cash equivalents ¹	3	N/A	6,060,848	3,678,333
Receivables ²	4	Receivables (at amortised cost)	654,042	1,022,220
Financial Assets	5	Loans and Receivables	16,672,573	13,186,286
Financial liabilities				
Payables ³	8	Financial liabilities measured at amortised cost	573,529	508,920

¹ Excludes cash at hand

² Excludes statutory receivables (i.e. net GST receivable) and accrued income

³ Excludes statutory payables (i.e. PAYG payable)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 12: FINANCIAL INSTRUMENTS (CONT)

(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	1-3 months	More than 3 months
\$	\$	\$	\$	\$	
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
2017					
Cash assets	3,678,333	3,678,333	-	-	-
Receivables	1,022,220	307,769	50,711	214,380	449,360
Financial assets	13,186,286	13,186,286	-	-	-
	17,886,839	17,172,389	50,711	214,380	449,360

(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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 12: FINANCIAL INSTRUMENTS (CONT)

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- interest bearing \$
2018					
Financial assets:					
Cash assets	1.75%	6,060,848	-	6,060,848	-
Financial Assets	2.87%	16,672,573	16,672,573	-	-
2017					
Financial assets:					
Cash assets	1.75%	3,678,333	-	3,678,333	-
Financial Assets	2.62%	13,186,286	13,186,286	-	-

Sensitivity Disclosure Analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience in financial markets, the Company believes the following movements are "reasonably possible" over the next 12 months – a parallel shift of +1% and -1% in market interest rates (AUD) from year end rates of 3.5 % (weighted average).

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

	Carrying amount	Interest rate risk			
		-1% (100 basis points)		+1% (100 basis points)	
		Profit	Equity	Profit	Equity
2018					
Cash assets	6,060,848	(60,608)	(60,608)	60,608	60,608
Financial Assets	16,672,573	-	-	-	-
2017					
Cash assets	3,678,333	(36,783)	(36,783)	36,783	36,783
Financial Assets	13,186,286	-	-	-	-

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FOR THE YEAR ENDED 30 JUNE 2018

NOTE 13: RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES WITH THE COMPREHENSIVE RESULT

	2018	2017
	\$	\$
Cash flows from operating activities		
Surplus/(Loss) for the period	(291,241)	1,106,007
Depreciation / amortisation	676,216	709,515
(Gain)/Loss on sale of assets	(14,560)	(89,272)
	370,415	1,726,250
Changes in assets and liabilities:		
(Increase)/decrease in receivables	390,977	(421,783)
(Increase)/decrease in prepayments	(2,598)	(26,728)
(Increase)/decrease in inventories	(125,481)	16,139
Increase/(decrease) in payables	287,247	142,143
Increase/(decrease) in deferred income	5,329,770	3,673,287
Increase/(decrease) in provisions	78,076	39,928
Net cash from operating activities	6,328,406	5,149,236

NOTE 14: KEY MANAGEMENT PERSONNEL

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 remuneration of KMPs during the period is shown in the table below:

	2018	2017
	\$	\$
Short-term employee benefits	1,132,932	1,115,880
Post employment benefits	85,346	76,966
Other long term benefits	24,923	22,476
Total KMP remuneration	1,243,201	1,215,322

15 RELATED PARTY TRANSACTIONS

Transactions with Director Related Entities

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

- Tom Mollenkopf is a Director of Surf Life Saving Australia. Surf Life Saving Australia (SLSA) provided funding to LSV for various water safety programs/services and LSV has purchased water safety equipment/apparel and provided water safety related services to SLSA. The amounts invoiced to Surf Life Saving Australia amounted to \$2,933,766 (2017: \$2,770,099). The amounts purchased from Surf Life Saving Australia amounted to \$268,788 (2017: \$259,747). There were the following outstanding balances at the reporting dates under review; payable to Surf Life Saving Australia \$112 (2017 \$1,284); and receivable from Surf Life Saving Australia \$3,736 (2017 \$102,458).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 15: RELATED PARTY TRANSACTIONS (CONT)

- 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 \$20,641 (2017: \$6,915). There were the following outstanding balances at the reporting dates under review; payable to Aligned Leisure \$Nil (2017 \$Nil); and receivable from Aligned Leisure \$4,172 (2017 \$1,482).
- 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 \$212,459 (2017: \$207,302). The amounts purchased from YMCA amounted to \$195,640 (2017: \$138,668). There were the following outstanding balances at the reporting dates under review; payable to YMCA \$ 4,368 (2017 \$Nil); and receivable from YMCA \$ 9,667 (2017 \$6,064).

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, no vehicles were sold by the company to Executives and/or staff or their immediate family (2017: three vehicles sold).

NOTE 16: AUDITORS REMUNERATION	2018	2017
Audit services	\$	\$
Auditors to the Company	25,300	29,470
Other services	-	-
Total Audit Services	25,300	29,470

NOTE 17: COMMITMENTS

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

Operating Leases

Within 12 Months	43,661	84,320
Greater than 12 months but less than 5 years	79,885	31,875
Greater than 5 years	1,492	1,592
Total Operating Lease Commitments	125,038	117,787

NOTE 18: CONTINGENT LIABILITIES	2018	2017
Bank Guarantees	\$	\$
Bank Guarantees	-	30,000

LIFE SAVING VICTORIA LIMITED
ACN 102 927 364

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 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 2018 LSV had a beneficial interest in funds within the Trust that had a market value of \$3,056,333 (\$2,818,600 June 2017).

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 2017-18 totalled \$468,373 (\$309,607 in 2016-17).

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

NOTE 20: SUBSEQUENT EVENTS

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

NOTE 21: MEMBERS LIABILITY

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

LIFE SAVING VICTORIA LIMITED
ACN 102 927 364

DIRECTORS' DECLARATION

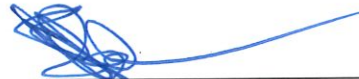
In the opinion of the directors of Life Saving Victoria Limited:

- (a) the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Australian Charities and Not-for-profits Commission Act 2012, the Corporations Regulations 2001 and other mandatory professional reporting requirements:
- (b) the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors:



Tom Mollenkopf
President



Vincent Sheehan
Director

Melbourne.

9 October 2018.

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SUBDIVISION 60-C SECTION 60-40 OF
AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012**

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 2018 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.

DFK Kidsons Partnership

DFK Kidsons Partnership

Robert Wernli

Robert Wernli
Partner

10 October 2018
Melbourne

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

Opinion

We have audited the financial report of Life Saving Victoria Limited which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, 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 Life Saving Victoria Limited, is in accordance with Division 60 of the *Australia Charities and Not for Profits Commission Act 2012*, including:

- (a) gives a true and fair view of the financial position of the Entity as at 30 June 2018, and of its financial performance and its cash flows for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australia 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 ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, and the *Australia Charities and Not for Profits Commission Act 2012* and for such internal control as management determines 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the company's financial reporting process.

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 the 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

DFK Kidsons Partnership

DFK Kidsons Partnership

Robert Wernli

Robert Wernli
Partner

Melbourne
10 October 2018