

LIFE SAVING VICTORIA LIMITED
ACN 102 927 364

30 JUNE 2015
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 31,000, 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 2015 and the Auditor's Report thereon.

DIRECTORS –

Thomas Mollenkopf President
Norman Farmer
Allan Holmes (resigned August 2015)
Catherine McCraith (resigned August 2015)
Darren McLeod
David Rylance
David Schultz
Vincent Sheehan (appointed August 2014)
Jeannene Stewart
Peter Williams
Rachael Rylance (appointed August 2015)
Angela Malan (appointed August 2015)

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

Dr Michael Kennedy, OAM is the Company Secretary.

PRINCIPAL ACTIVITIES

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

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

REVIEW OF OPERATIONS AND RESULTS

2014-2015 was a significant year for Life Saving Victoria (LSV), as it reached its 10-year anniversary. It was also the year Emergency Management Victoria (EMV) was formed with LSV recognised as a supporting organisation, further strengthening the Government and Community Partnership model.

From a facilities perspective, construction of the Mount Martha LSC clubhouse was completed, planning commenced on the Mordialloc LSC facility and work progressed at Seaspray. It is expected that Funding will be drawn down for all three facilities in 2015-16. State Government Funding was committed for upgrades to both Ocean Grove SLSC and South Melbourne LSC clubhouses.

The public training showed steady growth with key training contracts with the YMCA and the Department of Human Services staff continuing to see solid growth. Investment in and implementation of new IT systems was made in 2014-15 to streamline processes and support compliance requirements for the operations. New funding was received through a National Inland Waterway campaign as part of a 4-year residual funding package. This program is delivered through Education Services, Aquatic Risk and Research, Media and Communication and Government and Industry Relations. VicHealth extended its funding for the Multicultural program for a fourth year and one-off funding from the Department of Justice (DoJ) was received to initiate the Flexible Volunteering model.

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DIRECTORS REPORT (Cont)

Whilst continuing to provide traditional services and programs, LSV made significant investments in technology and equipment for the delivery of new Programs in Training and Education to be delivered in 2015-16, this includes one-off Grant for the development of an online application for on-line training for school aged children.

Overall operating results for LSV were improved on previous year with steady growth in most areas and programs. New investment in systems and applications with a focus on innovation, streamlining processes and integration has seen improvements and opportunities in public training, education and member training to ensure longer term support and sustainability for LSV and its members. Membership continues to steadily grow with new membership total in excess of 31,000.

The full financial year result for LSV was a surplus of \$311,438 (loss of \$463,938 in 2013-14) a turnaround of \$775,376. The main reasons for the significant turnaround are:

- the prior year included an expense related to lodgement of \$477,606 with the Surf Life Saving Foundation, there was no equivalent expense in the current year;
- the current year includes a net recovery (i.e. income) in relation to doubtful debts expenses of \$8,019 whereas the prior year included an expense of \$145,859 – a turnaround of \$153,878. This was primarily due to hard work to recover outstanding balances; it provided an opportunity to reflect on credit processes with improvements having been implemented; and
- strong cost control, notably realisation of improvements in management and scheduling of public courses.

LSV's operating position, after accounting for distributions from the Surf Life Saving Foundation (SLSF), was strong and allowed for funds to be allocated for investments for future life saving needs.

SLSF distributions received totalled \$394,575 (\$453,740 in 2013-14). During 2013-14, earnings were reinvested which represented an expense and contributed to last year's deficit result. Funds were acknowledged as income during the 2014-15 financial year and contributed to the surplus result.

As highlighted previously LSV continues to benefit from significant grant funding and various Local, State and Commonwealth agencies. In 2014-15 these grants represented 41% of total income (2013-14 43%). The major element was funding provided under the Victorian Government's Play it Safe by the Water Program totalling \$2,236,400 for a broad range of water safety programs (2013-14 \$2,178,418). In 2014-15 the Victorian Government again made available \$3.5 million for Lifesaving Clubhouse upgrades (2013-14 \$2.0M).

Key grants for direct club assistance comprised;

- Volunteer Emergency Services Equipment Program Grants \$846,116 (2013-14 \$600,346)
- Community Support Emergency Services Program Grants \$58,918 (2013-14 \$41,291)
- Club Administration Support Grants \$123,500 (2013-14 \$128,500)
- Club Risk Management Assistance Grants \$157,533 (2013-14 \$165,340)

The State Government continues to recognise the need for provision of specialist water safety programs and education within multicultural communities and \$398,467 was made available for this purpose in 2014-15 (2013-14 \$324,000).

DIVIDENDS

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

SUBSEQUENT EVENTS

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

LIKELY DEVELOPMENTS

LSV will continue the Principal Activities.

DIRECTORS REPORT (Cont)

INFORMATION ON DIRECTORS

Mr Tom Mollenkopf LL.B., B.Juris., MBA., FAICD., FCSA
LSV President and Board Chair
Occupation: Director and Consultant

Tom is a Company Director and Independent Advisor. He is a Senior Associate with Aither and holds a series of Board roles. He is Deputy Chair of Wyong Water, Senior Vice-President of the International Water Association and a Director of Dandenong Market and SLSA. Previous 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 was Deputy Executive Director of the International Water Association based in London. From 1995 to 2005 he was a General Manager at South East Water in Melbourne. Tom's background is in law, first in private practice and then as corporate counsel. In addition to being a Life Member of Point Leo SLSC (where he maintains his lifesaving proficiency), Tom chairs the Gary Tierney Foundation.

Appointed November 2012
Meetings 10 - 11

Mr Norman Farmer ESQ Grad Dip Mgmt AGSM AMICDA
Director Aquatic Education Council
Occupation: Retired General Manager

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 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 volunteer Chair of the Business Commission of the International Life Saving Federation-ILS, a Life Governor of the Mordialloc LSC and a member of the Frankston LSC.

Appointed March 2014
Meetings 9 - 11

Mr Allan Holmes
Director Aquatic Sports
Occupation: Retired

Allan is a retired former businessman. He is a former Victorian State Manager and Victorian Sales Manager of Auspine Limited and Wills Timber. Allan has had an involvement in lifesaving spanning 49 years. He has been a member of the Apollo Bay SLSC for the past 47 years, during this period he has held many Executive Committee positions including President, Treasurer and Secretary. Also during this period he has held many Committee positions with Surf Life Saving Victoria and now LSV. For his commitment Allan has been awarded with Life Membership of LSV and the Apollo Bay SLSC.

Appointed September 2012 – Resigned August 2015
Meetings 8 - 11

Ms Catherine McCraith B.App Sci (Phys Ed). LL.B (Hons). Grad Dip Ed
Director Membership & Leadership Development
Occupation: Teacher

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

Appointed June 2013 – Resigned August 2015
Meetings 8 - 11

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DIRECTORS REPORT (Cont)

Mr 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 11 - 11

Mr David Rylance
Director Training and Assessment
Occupation: Firefighter

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

Appointed November 2013
Meetings 8 - 11

Mr David Schultz MIEAust., GAICD
Director Council of Lifesaving Clubs
Occupation: Civil Engineer

David is a Civil Engineer and holds a Company Director Diploma. He is an independent member of the Bass Coast Shire Council Audit Committee and 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 11 - 11

Mr Vincent Sheehan BEc FCA
Independent Director
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 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 July 2014
Meetings 10 - 10

Ms Jeannene Stewart
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 25 years' experience in senior management roles in the welfare, information technology, health and aged care sectors. She has also provided consulting services to the aged care industry.

Appointed October 2013
Meetings 11 - 11

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DIRECTORS REPORT (Cont)

Mr 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 was a Trustee of the Anglesea SLSC Foundation.

Appointed April 2013
Meetings 10 - 11

Ms 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 is a member of Elwood LSC, where she has been a member 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

Ms Angela Malan BBus.

Director Membership & Leadership Development

Occupation: Integration Aide

Angela is an Integration Aide with the Department of Education. She is the current President of Inverloch SLSC for the last 4-years, and has been an active member for over 9-years. Angela has held positions in Junior Development for over 5-years with the Inverloch SLSC and held positions at a state level on the Membership and Leadership Development Executive for the past 5-years. Angela is the President of Inverloch SLSC and continues to patrol there.

Appointed August 2015

Dr Michael Kennedy OAM DBA., B.Bus., FAICD., FCILT., FLGPRO., FIPAA (Vic)

Company Secretary

Occupation: Senior Advisor & Consultant

Michael served as a local government chief executive officer for more than twenty years, most recently at Mornington Peninsula Shire, which hosts eight lifesaving clubs. He has extensive senior management and CEO experience in the business sector, in shipping, transport, logistics and manufacturing. Michael is an experienced company director in the community sector, in health, education and youth transitions. Michael was Life Saving Victoria's founding Chairman, and an Independent Director for six years.

COMMITTEE MEMBERSHIPS

At 30 June 2015 the Company had a Finance, Risk and Audit Committee, Governance Committee and Honours and Awards Committee of the Board of Directors. Members acting on the Committees of the Board during the year were:-.

Finance, Risk and Audit Committee

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

Honours and Awards Committee

Darren McLeod (Chair), Michael Martin AM *, Bree Ambry*, Andrew Barnes*, Neil Morarty OAM*, Tony Fraser*, Phillip McGibbon*, Russell Rees* and Belinda Porter*.

*= Non-Director

DIRECTORS REPORT (Cont)

INDEMNIFICATION AND INSURANCE OF OFFICERS

Indemnification

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

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

Insurance premiums

Since the end of the previous financial year, the Company has paid insurance premiums of \$18,100 in respect of directors' and officers' liability and legal expenses insurance contracts, for current and former directors and officers through to the year ended 30 June 2015. Such insurance contracts insure persons who are or have been directors or officers of the Company against certain liabilities (subject to certain exclusions).

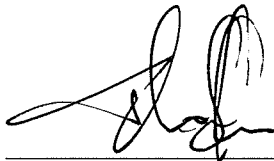
PROCEEDINGS ON BEHALF OF THE ENTITY

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

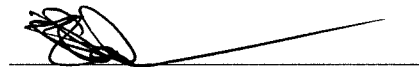
AUDITORS' INDEPENDENCE DECLARATION

The auditors' independence declaration is set out on page 31 and forms part of the Directors Report for the financial year 2015. 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,

LIFE SAVING VICTORIA LIMITED
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
INCOME			
Sales		671,216	729,478
Fees for Services		3,887,096	4,320,927
Grants for Clubs		1,937,835	2,356,256
Grants - Other		3,470,258	3,469,656
Sponsorships		1,517,945	1,501,845
Surf Life Saving Foundation Distributions		394,575	453,740
Other Fundraising and Donations		81,841	92,458
Function Centre		556,651	508,855
Interest Income		244,481	250,808
Realised Gain on Sale of Assets		48,671	46,865
Other Income		206,037	74,355
TOTAL INCOME		13,016,606	13,805,243
EXPENSES			
Cost of Sales		401,029	478,026
Life Saving Operations		1,249,968	1,468,273
Training and Education Programs		2,981,081	3,087,243
External Services		2,334,016	2,406,723
Grants Disbursements - Clubs		1,684,067	2,364,946
Grant Disbursements – Other		349,486	357,500
Fundraising		256,743	123,439
Lodgement – Surf Life Saving Foundation		-	477,606
Function Centre		463,792	461,589
Corporate Administration		2,223,685	2,232,352
Depreciation/Amortisation		658,255	602,163
Other Expenses		103,046	209,321
TOTAL EXPENSES		12,705,168	14,269,181
SURPLUS/(LOSS) FOR THE YEAR		311,438	(463,938)
COMPREHENSIVE RESULT ATTRIBUTABLE TO THE MEMBERS		311,438	(463,938)

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 2015

	Note	2015 \$	2014 \$
ASSETS			
Cash and cash equivalents	3	589,168	1,199,598
Trade and other receivables	4	826,574	697,423
Financial assets	5	6,864,756	5,841,941
Inventories		110,566	137,136
TOTAL CURRENT ASSETS		<u>8,391,064</u>	<u>7,876,098</u>
NON-CURRENT ASSETS			
Property plant and equipment	6	4,466,616	4,743,911
Intangible asset – IT Development	7	84,409	126,550
TOTAL NON-CURRENT ASSETS		<u>4,551,025</u>	<u>4,870,461</u>
TOTAL ASSETS		<u>12,942,089</u>	<u>12,746,559</u>
LIABILITIES			
Trade and other payables	8	5,020,352	5,077,720
Short term provisions	9	721,037	752,428
TOTAL CURRENT LIABILITIES		<u>5,741,389</u>	<u>5,830,148</u>
NON-CURRENT LIABILITIES			
Long term provisions	9	49,903	77,052
TOTAL NON-CURRENT LIABILITIES		<u>49,903</u>	<u>77,052</u>
TOTAL LIABILITIES		<u>5,791,292</u>	<u>5,907,200</u>
NET ASSETS		<u>7,150,797</u>	<u>6,839,359</u>
EQUITY			
Retained surplus		7,150,797	6,839,359
TOTAL EQUITY		<u>7,150,797</u>	<u>6,839,359</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 2015

	Retained Surplus
	\$
Balance at 30 June 2013	7,303,297
Loss for the year	(463,938)
Balance at 30 June 2014	<u>6,839,359</u>
Surplus for year	311,438
Balance at 30 June 2015	<u><u>7,150,797</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 2015

	Note	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from sponsors, donors and customers		13,439,198	14,820,057
Cash paid to suppliers and employees		(12,981,146)	(13,732,072)
Interest received		244,481	250,808
Net cash provided by operating activities	11	<u>702,533</u>	<u>1,338,793</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment		(628,798)	(617,732)
Purchase of financial assets		(1,022,815)	(1,705,831)
Proceeds on disposal of property, plant & equipment		338,650	192,134
Net cash used in investing activities		<u>(1,312,963)</u>	<u>(2,131,429)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		-	-
Net cash provided by financing activities		<u>-</u>	<u>-</u>
Net (decrease) in cash & cash equivalents held		(610,430)	(792,636)
Cash and cash equivalents at the beginning of the financial year		1,199,598	1,992,234
Cash and cash equivalents at the end of the financial year	3	<u>589,168</u>	<u>1,199,598</u>

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 2015

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

Basis of preparation

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

Reporting Basis and Conventions

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

Accounting Policies

(a) Revenue Recognition

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

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

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

(b) Goods and Services Tax

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

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

(c) Income Tax Expense

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

(d) Employee Benefits

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

LIFE SAVING VICTORIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONT)

(i) *Annual Leave*

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

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

(ii) *Long Service Leave*

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

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

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

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

(e) *Property, Plant and Equipment*

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

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

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

Depreciation

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

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

Leasehold Improvements	20 years	Motor Vehicles	4 to 5 years
Other Assets	2 to 5 years		

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

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

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

LIFE SAVING VICTORIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONT)

Impairment

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

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

Leasehold Improvements

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

(f) Inventories

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

(g) Leases

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

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

(h) Trade and Other Receivables

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

(i) Trade and Other Payables

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

(j) Cash and Cash Equivalents

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

(k) Interest Income

Interest income is recognised as it accrues.

(l) Intangible Assets

Intangible assets represent identifiable non-monetary assets without physical substance such as computer software and development costs. The 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 the Company.

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

LIFE SAVING VICTORIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONT)

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

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

(m) Fair Value Hierarchy

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

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

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

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

(n) Accounting Standards issued but not yet effective

The following standards and interpretations would have been applied for the first time for entities with years ending 30 June 2015 (unless adopted early)

Reference	Title	Application date of standard*	Application date for Group*
AASB 1031	<i>Materiality</i> The revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework (issued December 2013) that contain guidance on materiality. AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed. AASB 2014-1 Part C issued in June 2014 makes amendments to eight Australian Accounting Standards to delete their references to AASB 1031. The amendments are effective from 1 July 2014.	1 January 2014	1 July 2014
AASB 2013-9	<i>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments</i> The Standard contains three main parts and makes amendments to a number of Standards and Interpretations. Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1. Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards. Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 <i>Hedge Accounting</i> into AASB 9 <i>Financial Instruments</i> .	The application dates of AASB 2013-9 are as follows: Part A – periods ending on or after 20 Dec 2013 Part B - periods beginning on or after 1 January 2014 Part C - reporting periods beginning on or after 1 January 2015	30 June 2014 1 July 2014 1 July 2015

LIFE SAVING VICTORIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONT)

The following standards and interpretations have been issued by the AASB but are not yet effective for the period ending 30 June 2015.

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 1057	<i>Application of Australian Accounting Standards</i>	This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. Accordingly, paragraphs 5 and 22 respectively specify the application paragraphs for Standards and Interpretations in general. Differing application paragraphs are set out for individual Standards and Interpretations or grouped where possible. The application paragraphs do not affect requirements in other Standards that specify that certain paragraphs apply only to certain types of entities.	1 January 2016	1 July 2016
AASB 2015-1	<i>Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle</i>	The subjects of the principal amendments to the Standards are set out below: AASB 5 Non-current Assets Held for Sale and Discontinued Operations: <ul style="list-style-type: none"> Changes in methods of disposal – where an entity reclassifies an asset (or disposal group) directly from being held for distribution to being held for sale (or visa versa), an entity shall not follow the guidance in paragraphs 27–29 to account for this change. AASB 7 Financial Instruments: Disclosures: <ul style="list-style-type: none"> Servicing contracts - clarifies how an entity should apply the guidance in paragraph 42C of AASB 7 to a servicing contract to decide whether a servicing contract is ‘continuing involvement’ for the purposes of applying the disclosure requirements in paragraphs 42E–42H of AASB 7. Applicability of the amendments to AASB 7 to condensed interim financial statements - clarify that the additional disclosure required by the amendments to AASB 7 Disclosure–Offsetting Financial Assets and Financial Liabilities is not specifically required for all interim periods. However, the additional disclosure is required to be given in condensed interim financial statements that are prepared in accordance with AASB 134 Interim Financial Reporting when its inclusion would be required by the requirements of AASB 134. AASB 119 Employee Benefits: <ul style="list-style-type: none"> Discount rate: regional market issue - clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability. Further it clarifies that the depth of the market for high quality corporate bonds should be assessed at the currency level. AASB 134 Interim Financial Reporting: <ul style="list-style-type: none"> Disclosure of information ‘elsewhere in the interim financial report’ - amends AASB 134 to clarify the meaning of disclosure of information ‘elsewhere in the interim financial report’ and to require the inclusion of a cross-reference from the interim financial statements to the location of this information. 	1 January 2016	1 July 2016

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONT)

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 2015-2	<i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101</i>	The Standard makes amendments to AASB 101 Presentation of Financial Statements arising from the IASB’s Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.	1 January 2016	1 July 2016
AASB 2015-3	<i>Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality</i>	The Standard completes the AASB’s project to remove Australian guidance on materiality from Australian Accounting Standards.	1 July 2015	1 July 2015
AASB 2015-7	<i>Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities [AASB 13]</i>	This Standard makes amendments to AASB 13 Fair Value Measurement to exempt not-for-profit public sector entities from certain requirements of the Standard.	1 July 2016	1 October 2016
IFRS 15	Revenue from Contracts with Customers	<p>The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:</p> <p>(a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation</p> <p>Early application of this standard is permitted.</p>	1 January 2017	1 July 2017 Note A

Note A: The International Accounting Standards Board (IASB) in its July 2015 meeting decided to confirm its proposal to defer the effective date of IFRS 15 (the international equivalent of AASB 15) from 1 January 2017 to 1 January 2018. The amendment to give effect to the new effective date for IFRS 15 is expected to be issued in September October 2015. At this time, it is expected that the AASB will make a corresponding amendment to the effective date of AASB 15.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 2: AUDITORS REMUNERATION	2015	2014
Audit services	\$	\$
Auditors to the Company	24,500	17,200
Other Auditing Services	6,700	7,100
Total Audit Services	<u>31,200</u>	<u>24,300</u>

NOTE 3: CASH AND CASH EQUIVALENTS

Operating Bank Accounts	587,318	1,197,748
Other	1,850	1,850
Total Cash and Cash Equivalents	<u>589,168</u>	<u>1,199,598</u>

NOTE 4: TRADE AND OTHER RECEIVABLES

CURRENT

Trade Accounts Receivable	759,330	563,944
Provision for Doubtful Debts (a)	(25,782)	(156,458)
	<u>733,548</u>	<u>407,486</u>
Other Receivables and Prepayments	93,026	289,937
Total Trade and Other Receivables	<u>826,574</u>	<u>697,423</u>

(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	156,458	29,300
Reversal	(75,869)	-
Charge for the year	7,929	145,859
Amounts written off	(62,736)	(18,701)
Balance at end of the year	<u>25,782</u>	<u>156,458</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 5: FINANCIAL ASSETS	2015	2014
	\$	\$
Term Deposit held by Surf Life Saving Foundation on behalf of LSV	4,175,066	4,000,000
Other Bank Term Deposits	2,689,690	1,841,941
Total Financial Assets	<u>6,864,756</u>	<u>5,841,941</u>
NOTE 6: PROPERTY, PLANT AND EQUIPMENT		
BUILDINGS		
Leasehold Improvements		
At cost	6,453,787	6,453,787
Less: accumulated depreciation	2,904,217	2,581,525
Total Leasehold Improvements	<u>3,549,570</u>	<u>3,872,262</u>
Total Buildings	<u>3,549,570</u>	<u>3,872,262</u>
PLANT AND EQUIPMENT		
Motor Vehicles		
At cost	1,073,237	1,058,047
Less: accumulated depreciation	261,181	331,867
Total motor vehicles	<u>812,056</u>	<u>726,180</u>
Computer and Office Equipment		
At cost	377,823	344,173
Less: accumulated depreciation	317,920	268,165
Total computer and office equipment	<u>59,903</u>	<u>76,008</u>
Gym Equipment		
At cost	16,455	16,455
Less: accumulated depreciation	16,455	16,455
Total gym equipment	<u>-</u>	<u>-</u>
Furniture and Fittings		
At cost	54,934	54,934
Less: accumulated depreciation	54,934	54,934
Total furniture and fittings	<u>-</u>	<u>-</u>
Rescue Equipment		
At cost	125,736	125,736
Less: accumulated depreciation	80,649	56,275
Total rescue equipment	<u>45,087</u>	<u>69,461</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 6: PROPERTY, PLANT AND EQUIPMENT (CONT)

	2015	2014
	\$	\$
Training Equipment		
At cost	7,956	7,956
Less: accumulated depreciation	7,956	7,956
Total training equipment	-	-
Total Plant and Equipment	917,046	871,649
Total Property, Plant and Equipment	4,466,616	4,743,911

MOVEMENTS IN CARRYING AMOUNTS

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

BUILDINGS

Leasehold Improvements

Carrying amount at the beginning of the year	3,872,262	4,194,954
Less - Depreciation charge for the year	322,692	322,692
Carrying amount at end of year	3,549,570	3,872,262

PLANT AND EQUIPMENT

Motor Vehicles

Carrying amount at the beginning of the year	726,180	699,322
Acquisitions	595,148	391,092
Less - Disposals	289,979	145,268
Less - Depreciation charge for the year	219,293	218,966
Carrying amount at end of year	812,056	726,180

Computer and Office Equipment

Carrying amount at the beginning of the year	76,008	85,111
Acquisitions	33,650	32,817
Less - Depreciation charge for the year	49,755	41,920
Carrying amount at end of year	59,903	76,008

Gym Equipment

Carrying amount at the beginning of the year	-	-
Carrying amount at end of year	-	-

Furniture and Fittings

Carrying amount at the beginning of the year	-	2,517
Less - Depreciation charge for the year	-	2,517
Carrying amount at end of year	-	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 6: PROPERTY, PLANT AND EQUIPMENT (CONT)

	2015	2014
	\$	\$
Rescue Equipment		
Carrying amount at the beginning of the year	69,461	18,256
Acquisitions	-	67,272
Less - Depreciation charge for the year	24,374	16,067
Carrying amount at end of year	<u>45,087</u>	<u>69,461</u>
Training Equipment		
Carrying amount at the beginning of the year	-	-
Carrying amount at end of year	-	-
Total Property, Plant and Equipment	<u>4,466,616</u>	<u>4,743,911</u>

NOTE 7: INTANGIBLE ASSETS

IT Systems Development		
At cost	126,550	126,550
Less – Accumulated amortisation	42,141	-
Total IT Systems Development	<u>84,409</u>	<u>126,550</u>

MOVEMENTS IN CARRYING AMOUNTS

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

IT Systems Development		
Carrying amount at the beginning of the year	126,550	-
Acquisitions	-	126,550
Less – Accumulated amortisation	42,141	-
Carrying amount at end of year	<u>84,409</u>	<u>126,550</u>

NOTE 8: TRADE AND OTHER PAYABLES

CURRENT		
Trade accounts payable	318,231	433,340
Other payables and accrued expenses	188,044	79,165
Income received in advance	4,514,077	4,565,215
Total trade and other payables	<u>5,020,352</u>	<u>5,077,720</u>

LIFE SAVING VICTORIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 9: PROVISIONS	2015	2014
	\$	\$
CURRENT PROVISIONS EXPECTED TO BE SETTLED WITHIN 12 MONTHS		
Liability for annual leave	362,473	266,391
Liability for other provisions	12,770	12,769
	<u>375,243</u>	<u>279,160</u>
CURRENT PROVISIONS EXPECTED TO BE SETTLED AFTER 12 MONTHS		
Liability for annual leave	138,676	224,820
Liability for long service leave	207,118	248,448
	<u>345,794</u>	<u>473,268</u>
Total Current Provisions	<u>721,037</u>	<u>752,428</u>
NON CURRENT		
Liability for long service leave	<u>49,903</u>	<u>77,052</u>
Total Provisions	<u>770,940</u>	<u>829,480</u>
MOVEMENT IN PROVISIONS FOR EMPLOYEE BENEFITS		
Balance at the beginning of the year	829,480	706,537
Additional provisions	6,211	130,173
Amounts used	(64,751)	(7,230)
Balance at the end of the year	<u>770,940</u>	<u>829,480</u>

LIFE SAVING VICTORIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 10: FINANCIAL INSTRUMENTS

Financial assets	Note	Category	Carrying amount 2015 \$	Carrying amount 2014 \$
Cash and cash equivalents	3	N/A	589,168	1,199,598
Receivables	4	Receivables (at amortised cost)	733,548	407,486
Financial Assets	5	Loans and Receivables	6,864,756	5,841,941
Financial liabilities				
Payables	8	Financial liabilities measured at amortised cost	318,231	433,340

(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.

Financial assets that are either past due or impaired.

Currently the Company does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

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

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

Interest rate exposure and ageing analysis of financial assets								
	Carrying amount	Interest rate exposure			Current	Past due by		
		Fixed interest rate	Variable interest rate	Non-interest bearing	Less than 1 month	1-3 months	More than 3 months	
2015								
Cash assets	589,168	-	587,318	1,850	-	-	-	
Receivables	733,548	-	-	733,548	383,279	139,374	210,895	
Financial Assets	6,864,756	6,864,756	-	-	-	-	-	
	8,187,472	6,864,756	587,318	735,398	383,279	139,374	210,895	
2014								
Cash assets	1,199,598	-	1,197,748	1,850	-	-	-	
Receivables	407,486	-	-	407,486	210,105	127,221	70,160	
Financial Assets	5,841,941	5,841,941	-	-	-	-	-	
	7,449,025	5,841,941	1,197,748	409,336	210,105	127,221	70,160	

(b) Liquidity risk

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

LIFE SAVING VICTORIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 10: FINANCIAL INSTRUMENTS (CONT)

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

Interest rate exposure and maturity analysis of financial liabilities

	Interest rate exposure				Maturity dates			
	Nominal amount	Fixed interest rate	Variable interest rate	Non-interest bearing	Less than 1 month	1-3 months	3 months – 5 years	More than 5 years
2015								
Payables	318,231	-	-	318,231	318,231	-	-	-
	318,231	-	-	318,231	318,231	-	-	-
2014								
Payables	433,340	-	-	433,340	433,340	-	-	-
	433,340	-	-	433,340	433,340	-	-	-

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

(b) Market risk

The Company's exposure to market risk is primarily through interest rate risk with currently no exposure to other price risk or foreign currency risk. Objectives, policies and processes used to manage this risk are disclosed in the paragraph below.

(c) Interest rate risk

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

(d) Sensitivity Disclosure Analysis

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

LIFE SAVING VICTORIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 10: FINANCIAL INSTRUMENTS (CONT)

(e) Market risk exposure

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
2015					
Financial assets:					
Cash assets	587,318	(5,873)	(5,873)	5,873	5,873
Financial Assets	6,864,756	(68,648)	(68,648)	68,648	68,648
Financial Liabilities:					
Nil	-	-	-	-	-
2014					
Financial assets:					
Cash assets	1,197,748	(11,977)	(11,977)	11,977	11,977
Financial Assets	5,841,941	(58,419)	(58,419)	58,419	58,419
Financial Liabilities:					
Nil	-	-	-	-	-

(f) Fair value

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

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

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

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

	2015	2014
	\$	\$
Cash flows from operating activities		
Surplus/(Loss) for the period	311,438	(463,938)
Increase/(decrease) in provisions & employee benefits	(58,540)	122,943
Depreciation amortisation	658,255	602,163
(Gain)/Loss on sale of assets	(48,671)	(46,865)
Surplus before changes in working capital	862,482	214,303
Decrease/(increase) in trade & other receivables	(129,150)	181,552
(Increase)/decrease in inventory	26,569	(8,710)
Increase/(decrease) in trade & other payables	(57,368)	951,648
Net cash from operating activities	702,533	1,338,793

LIFE SAVING VICTORIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 12: RELATED PARTIES

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

Non-Executive Directors

Thomas Mollenkopf
Norman Farmer
Allan Holmes (resigned August 2015)
Catherine McCraith (resigned August 2015)
Darren McLeod
David Rylance
David Schultz
Vincent Sheehan (appointed August 2014)
Jeannene Stewart
Peter Williams
Rachael Rylance (appointed August 2015)
Angela Malan (appointed August 2015)

Company Secretary

Dr Michael Kennedy OAM

Executives

Nigel Taylor ESM, Chief Executive Officer
Emma Atkins, General Manager Business Support
Andrew Foran, General Manager Life Saving Club Development
Mevan Jayawardena, General Manager Business Development and Corporate Communications
Christine Dixon, Manager, Financial Services - appointed January 2015
Paul Shannon, General Manager Government and Industry Relations
Katharine Simpson, General Manager Education Services

Key management personnel compensation

Compensation paid or payable, or otherwise made available, to eight (seven in 2013-14) key management personnel of the Company are as follows:	2015	2014
	\$	\$
Short term employee benefits	973,002	867,871

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

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

Terms and conditions of transactions with related parties

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, the following two vehicles were sold by the company to Executives:

Make	Model	Year	Kilometres	Price
Mitsubishi	Outlander	2012	52,000	\$13,000 *
Holden	Cruze	2012	102,000	\$8,000 *

* GST exclusive amount

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

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

For the year ended 30 June 2015, the entity has not raised any provision for doubtful debts relating to amounts owed by related parties (2014: \$nil).

LIFE SAVING VICTORIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 13: COMMITMENTS

	2015	2014
	\$	\$
Commitments arising from contracts for expenditure not provided in the accounts:		
Operating Leases		
Within 12 Months	87,493	31,700
Greater than 12 months but less than 5 years	151,625	124,800
Greater than 5 years	179,400	210,600
Total Operating Lease Commitments	418,518	366,600

NOTE 14: CONTINGENT LIABILITIES

Bank Guarantees	30,000	30,000
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NOTE 15: INTEREST IN SURF LIFE SAVING FOUNDATION INC

The Surf Life Saving Rescue Fund Trust (the Trust), of which the Foundation is the corporate Trustee (the Trustee), holds funds for the benefit of LSV, which may be distributed at the sole discretion of the Trustee and accordingly these funds are not recognised in the Statement of Financial Position. At 30 June 2015 LSV had a beneficial interest in funds within the Trust that had a market value of \$2,496,516 (\$2,333,399 June 2014).

LSV receives distributions from Surf Life Saving Australia of funds raised by the Surf Lifesaving Foundation Inc (the Foundation) from fundraising activities undertaken on behalf of LSV. Distributions received in 2014-15 totalled \$394,575 (\$453,740 in 2013-14).

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

NOTE 16: SUBSEQUENT EVENTS

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

NOTE 17: MEMBERS LIABILITY

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

LIFE SAVING VICTORIA LIMITED
ACN 102 927 364

DIRECTORS' DECLARATION

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

- (a) the financial statements and notes, set out on pages 8 to 27 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Company as at 30 June 2015 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors:



Tom Mollenkopf
President



Vincent Sheehan
Director

Melbourne.

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

Report on the Financial Report

We have audited the accompanying financial report of Life Saving Victoria Limited, which comprises the statement of financial position as at 30 June 2015 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to Life Saving Victoria Limited on 29 October 2015, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion:

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

(i) giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

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

DFK Kidsons Partnership

DFK KIDSONS PARTNERSHIP

Robert Wernli

**Robert Wernli
Partner**

Melbourne
29 October 2015

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

To: the directors of Life Saving Victoria Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there have been:

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

DFK Kidsons Partnership

DFK KIDSONS PARTNERSHIP

Robert Wernli

**Robert Wernli
Partner**

Melbourne
29 October 2015