

LIFE SAVING VICTORIA LIMITED
ACN 102 927 364

30 JUNE 2016
ANNUAL FINANCIAL REPORT

LIFE SAVING VICTORIA LIMITED
ACN 102 927 364

CONTENTS

Directors' Report	2 – 7
Financial Report	
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12 – 26
Directors' Declaration	27
Audit Report	28 – 29
Auditor's Independence Declaration	30

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 2016 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
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

Throughout the year, Life Saving Victoria has energetically pursued its mission of preventing aquatic death and injury across Victoria.

It is pleasing to report that there have been some excellent advances over the year and that LSV continues to grow in size, effectiveness and relevance. A new record level of life saving club membership has been attained (32,710 members), largely driven by strong community support for LSV's activities as well as interest in the personal benefits of participation, such as first aid, resuscitation, water safety skills and awareness.

But while Victoria still has the lowest per capita drowning rate of the Australian states, the downward trend is stalling, reminding us that our work remains vital and that we must continue to innovate and grow to meet our changing social, economic and operational challenges. This year, LSV introduced a number of major new initiatives focused on the strategic themes of *LSV from Anywhere* (introduce major advances in technology to enable access across the state) and the *Creation of Everyday Lifesavers* (increase the water safety capability of the entire Victorian population). These are underpinned by the third strategic theme of *Resource Ready* (ensure our activities are supported by the requisite financing, capacity and capability.)

LSV delivers on its mission through a diverse and sophisticated community of employees, volunteers and partners; this includes our 57 affiliated lifesaving clubs, 377 staff (permanent and seasonal), licensees, community education and aquatic industry members and associated marine and rescue organisations. Supporting this community with systems, policies and training within a clear operational framework has been a focus this year. This has included enhancing our Risk & Research and Finance teams; introducing in-house IT development capability and strengthening our governance processes with improved member grievance handling, developing a comprehensive risk management framework, a new investment strategy and additional legal and company secretarial support

LIFE SAVING VICTORIA
ACN 102 927 364

DIRECTORS REPORT (Cont)

capabilities.

Our commitment to Life Saving Club building upgrades was strengthened by gaining government funding commitments for the redevelopment of Anglesea, Cape Paterson, Edithvale and Portsea Clubs' lifesaving facilities. Works continue on the upgrades to the facilities at Mordialloc, Seaspray, Ocean Grove, South Melbourne and St Kilda.

The State Government continues to recognise the need for provision of specialist water safety programs and education within multicultural communities with \$338,722 made available for this purpose in 2015-16. This year saw 13,000 participants take part in LSV's multicultural programs.

Whilst continuing to provide traditional services and programs, LSV made investments in technology and equipment for lifesaving operations and the delivery of new programs in Training and Education. This included the gear inspection system and improvements to member training. The 2016 Financial Year also saw the implementation of a new cloud based financial system further strengthening the commitment to developing technologies across our IT platforms.

LSV's work is undertaken in close association with Royal Life Saving Society of Australia and Surf Life Saving Australia. We have led or participated in a number of key initiatives over the year with these national bodies including drowning prevention at identified Black Spots, pool safety initiatives, a review of Surf Sports and the introduction of additional safety measures including PPE for lifesaving and sporting activities.

The full financial year result for LSV was a deficit of \$94,538 (surplus of \$311,438 in 2014/15). Key financial items to note during the year are.

- Continued benefit from significant grant funding from various Local, State and Commonwealth agencies. In 2015-16 these grants represented 48% of total income (2014-15 44%)
- Government funding of \$4,675,000 received for Lifesaving Facility upgrades (2014-15 \$3,500,000).
- Improved profitability from Public Training as a result of the quality assurance and efficiencies for administrators, trainers and learners in Registered Training Operations through the Accelerate Training Management System.
- Continued focus on outstanding debtors has led to a larger than usual number of debtor write-offs, following on from the provisioning of debtors increasing over the last 2 years with an expense of \$83,043 (2014/15 \$-67,850, a write back of previous years provisions)
- Surf life Saving Foundation distributions received totaled \$440,764 2014-15 (2014-15 \$394,575). Funds were acknowledged as income during the 2015-16 financial year, in line with the treatment in the 2014-15 financial year and contributed to the result.
- Investment in a new finance structure and system for planned future growth and increase transparency and visibility on the financial performance of all LSV programs (\$147,580)
- Staff costs remained stable with employee expenses for 377 permanent, part time, casual and seasonal staff of \$5,289,751 (2014/15, \$5,265,000, 372 staff)

The continued strength of the principal indicators within the Balance Sheet are the key to the 2015-16 result. With the increased Government funding and profitability of social enterprise operations, the implementation of key cash management and investment strategies has allowed funds to be invested for future lifesaving needs.

A detailed review of the source and distribution of funds shows a continued focus on the diversification of financing for all operations with on recurring Government Grants (excluding facilities) at 32.3% (2014-15 33%) and Social Enterprise contributing 34% (2014-15 36%) . Distribution of funding shows over 53% of all funds directed towards the provision of life saving services with 18% directly to clubs as grants (6.9% as facilities grants), with 27.3% invested in the core LSV service of Public Training, Education and Pool Safety Services.

At the conclusion of the 2015/16 Financial Year, LSV is confident it is well prepared to deliver on major new initiatives such as the introduction of survival swimming in the state primary school system, an expanded multicultural youth engagement program, a more pro-active introduction of the lifesaving sport into schools, better regulation of safety standards in public pools, renewal of water safety messaging for all media forms and increased levels of support for the LSV volunteer network.

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.

DIRECTORS REPORT (Cont)

INFORMATION ON DIRECTORS

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

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 SLISA. 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 - 10

Norman Farmer ESM Grad Dip Mgmt AGSM MRMIA

Director Aquatic Education Council

Grad Dip Mgmt AGSM AMICDA

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 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 volunteer Chair of the Business Commission 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
Meetings 8-10

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 9 - 10

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 eight years. In the past 12 months David has coordinated and facilitated specialist courses for the MFB for Control Unit Operators. 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 9 - 10

LIFE SAVING VICTORIA
ACN 102 927 364

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 independent Chair of the Bass Coast Shire Council Audit Committee, Chair of the Human Resources Committee of the Bass Coast Shire 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 9-10

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 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 10 - 10

Ms 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
Meetings 9-10

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 8-10

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 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 10-10

LIFE SAVING VICTORIA
ACN 102 927 364

DIRECTORS REPORT (Cont)

Ms Angela Malan BBus.

Director Membership & Leadership Development

Occupation: Education Support

Angela has been actively involved with Inverloch Surf Life Saving Club since 2005. In that time she has held the position of Junior Coordinator for 5 years and President of the club from 2011-2016. Angela has also held positions at a state level on the Membership and Leadership Development Executive for the past 6 years. Angela represents LSV on the Ministerial Advisory Council to the Minister for Volunteers. When not involved in lifesaving Angela works in the area of Special Education.

Appointed August 2015
Meetings 9 – 10

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

Company Secretary

LSV 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 now lectures in management at La Trobe Business School. 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.

Appointed October 2012
Meetings 9 – 10

Meetings of Directors

During the financial year there were 10 meetings of Directors, with no meeting held in January 2015.

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

COMMITTEE MEMBERSHIPS

At 30 June 2016 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*, Garry Martin*. Neil Morarty OAM*, Jeannene Stewart 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* Dianne Montalto ESM * and Belinda Porter*(Awards of Excellence Committee Chair).

Governance Committee

Dr Michael Kennedy OAM *, Matt Finnis *, Tom Mollenkopf, David Shultz, Jeannene Stewart

*= 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.

LIFE SAVING VICTORIA
ACN 102 927 364

DIRECTORS REPORT (Cont)

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 2016 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



Nigel Taylor ESM
Chief Executive Officer

Melbourne, 18 October 2016

LIFE SAVING VICTORIA LIMITED
ACN 102 927 364

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
INCOME			
Sales		721,070	671,216
Fees for Services		4,037,355	3,887,096
Grants for Clubs		2,494,081	1,937,835
Grants - Other		3,479,543	3,470,258
Sponsorships		1,466,471	1,517,945
Surf Life Saving Foundation Distributions		440,764	394,575
Other Fundraising and Donations		186,368	81,841
Function Centre		451,912	556,651
Interest Income		251,579	244,481
Realised Gain on Sale of Assets		6,495	48,671
Other Income		283,140	206,037
TOTAL INCOME		13,818,778	13,016,606
EXPENSES			
Cost of Sales		433,348	401,029
Life Saving Operations		2,667,237	2,302,829
Training and Education Programs		2,914,245	2,981,081
Aquatic Risk and Research		384,382	388,757
External Services		920,456	892,398
Grants Disbursements - Clubs		2,274,215	1,684,067
Grant Disbursements – Other		399,208	349,486
Fundraising		270,339	256,743
Lodgement – Surf Life Saving Foundation		-	-
Function Centre		555,694	463,792
Corporate Administration		2,362,271	2,223,685
Depreciation/Amortisation		603,098	658,255
Other Expenses		129,140	103,046
TOTAL EXPENSES		13,913,633	12,705,168
SURPLUS/(LOSS) FOR THE YEAR		(94,854)	311,438
COMPREHENSIVE RESULT ATTRIBUTABLE TO THE MEMBERS		(94,854)	311,438

The accompanying notes form part of these financial statements

LIFE SAVING VICTORIA LIMITED
ACN 102 927 364

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
ASSETS			
Cash and cash equivalents	3	5,534,213	589,168
Trade and other receivables	4	776,458	826,574
Financial assets	5	6,999,743	6,864,756
Inventories		107,596	110,566
TOTAL CURRENT ASSETS		<u>13,418,010</u>	<u>8,391,064</u>
NON-CURRENT ASSETS			
Property plant and equipment	6	3,917,242	4,406,713
Intangible asset – IT Development	7	144,186	144,312
TOTAL NON-CURRENT ASSETS		<u>4,061,428</u>	<u>4,551,025</u>
TOTAL ASSETS		<u>17,479,439</u>	<u>12,942,089</u>
LIABILITIES			
Trade and other payables	8 (a)	360,586	506,275
Grants In Advance	8 (b)	9,216,802	4,514,177
Short term provisions	9 (a)	776,295	721,037
TOTAL CURRENT LIABILITIES		<u>10,353,683</u>	<u>5,741,389</u>
NON-CURRENT LIABILITIES			
Long term provisions	9 (a)	69,814	49,903
TOTAL NON-CURRENT LIABILITIES		<u>69,814</u>	<u>49,903</u>
TOTAL LIABILITIES		<u>10,423,497</u>	<u>5,791,292</u>
NET ASSETS		<u>7,055,942</u>	<u>7,150,797</u>
EQUITY			
Retained surplus		<u>7,055,942</u>	<u>7,150,797</u>
TOTAL EQUITY		<u>7,055,942</u>	<u>7,150,797</u>

The accompanying notes form part of these financial statements

LIFE SAVING VICTORIA LIMITED
ACN 102 927 364

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

Retained Surplus

	\$
Balance at 30 June 2014	6,839,359
Surplus for the year	311,438
Balance at 30 June 2015	<u>7,150,797</u>
Surplus for year	(94,854)
Balance at 30 June 2016	<u><u>7,055,943</u></u>

The accompanying notes form part of these financial statements.

LIFE SAVING VICTORIA LIMITED
ACN 102 927 364

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from sponsors, donors and customers		14,930,252	13,439,198
Cash paid to suppliers and employees		(9,994,829)	(12,981,146)
Interest received		251,615	244,481
Net cash provided by operating activities	11	<u>5,187,038</u>	<u>702,533</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment		(172,738)	(628,798)
Purchase of financial assets		(134,987)	(1,022,815)
Proceeds on disposal of property, plant & equipment		65,732	338,650
Net cash used in investing activities		<u>(241,993)</u>	<u>(1,312,963)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		-	-
Net cash provided by financing activities		<u>-</u>	<u>-</u>
Net increase in cash & cash equivalents held		4,945,045	(610,430)
Cash and cash equivalents at the beginning of the financial year		589,168	1,199,598
Cash and cash equivalents at the end of the financial year	3	<u><u>5,534,213</u></u>	<u><u>589,168</u></u>

The accompanying notes form part of these financial statements

LIFE SAVING VICTORIA LIMITED
ACN 102 927 364

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

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
ACN 102 927 364

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

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	5 to 6 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.

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
ACN 102 927 364

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

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
ACN 102 927 364

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

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

(o) 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 2016. 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.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise 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. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The company will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the company.

LIFE SAVING VICTORIA LIMITED
ACN 102 927 364

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONT)

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The company will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the company.

(o) Comparatives

There have been changes within the disclosure of items within the income statement for amounts reported for the 2015 Financial Year.

- (i) Expenses related to Paid Lifeguard Services for 2015 previously in External Services are in Life Saving Operations.
- (ii) Expenses for the Aquatic Risk and Research Program for 2015 moved from External Services to a separate line item

	2015 Restated	2015
EXPENSES		
Life Saving Operations	2,302,829	1,249,968
Aquatic Risk and Research	388,757	-
External Services	892,398	2,334,016
TOTAL	6,565,065	6,565,065

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.

LIFE SAVING VICTORIA LIMITED
ACN 102 927 364

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
NOTE 3: CASH AND CASH EQUIVALENTS		
Operating Bank Accounts	5,532,363	587,318
Other	1,850	1,850
Total Cash and Cash Equivalents	5,534,213	589,168

NOTE 4: TRADE AND OTHER RECEIVABLES

CURRENT

Trade Accounts Receivable	724,215	759,330
Provision for Doubtful Debts (a)	(48,558)	(25,782)
	675,657	733,548
Other Receivables and Prepayments	100,801	93,026
Total Trade and Other Receivables	776,458	826,574

(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	25,872	156,458
Reversal	(11,889)	(75,869)
Charge for the year	83,043	8,019
Amounts written off	(48,468)	(62,736)
Balance at end of the year	48,558	25,872

LIFE SAVING VICTORIA LIMITED
ACN 102 927 364

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 5: FINANCIAL ASSETS	2016	2015
	\$	\$
Term Deposit held by Surf Life Saving Foundation on behalf of LSV	4,290,520	4,175,066
Other Bank Term Deposits	2,709,223	2,689,690
Total Financial Assets	<u>6,999,743</u>	<u>6,864,756</u>
NOTE 6: PROPERTY, PLANT AND EQUIPMENT		
BUILDINGS		
Leasehold Improvements		
At cost	6,453,787	6,453,787
Less: accumulated depreciation	3,226,909	2,904,217
Total Leasehold Improvements	<u>3,226,878</u>	<u>3,549,570</u>
Total Buildings	<u>3,226,878</u>	<u>3,549,570</u>
PLANT AND EQUIPMENT		
Motor Vehicles		
At cost	1,046,390	1,073,237
Less: accumulated depreciation	422,684	261,181
Total motor vehicles	<u>623,706</u>	<u>812,056</u>
Computer and Office Equipment		
At cost	338,904	311,356
Less: accumulated depreciation	317,584	311,356
Total computer and office equipment	<u>21,319</u>	<u>-</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	62,524	54,934
Less: accumulated depreciation	55,248	54,934
Total furniture and fittings	<u>7,276</u>	<u>-</u>
Rescue Equipment		
At cost	165,024	125,736
Less: accumulated depreciation	126,962	80,649
Total rescue equipment	<u>38,062</u>	<u>45,087</u>

LIFE SAVING VICTORIA LIMITED
ACN 102 927 364

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 6: PROPERTY, PLANT AND EQUIPMENT (CONT)

	2016	2015
	\$	\$
Training Equipment		
At cost	7,956	7,956
Less: accumulated depreciation	7,956	7,956
Total training equipment	-	-
Total Plant and Equipment	690,363	917,046
Total Property, Plant and Equipment	3,917,242	4,466,616

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	3,549,570	3,872,262
Less - Depreciation charge for the year	322,693	322,692
Carrying amount at end of year	3,226,877	3,549,570

PLANT AND EQUIPMENT

Motor Vehicles

Carrying amount at the beginning of the year	812,056	726,180
Acquisitions	-	595,148
Less - Disposals	26,847	289,979
Less - Depreciation charge for the year	161,503	219,293
Carrying amount at end of year	623,706	812,056

Computer and Office Equipment

Carrying amount at the beginning of the year	-	43,191
Acquisitions	27,548	-
Less - Depreciation charge for the year	6,228	43,191
Carrying amount at end of year	21,320	-

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	-	-
Acquisitions	7,590	-
Less - Depreciation charge for the year	315	-
Carrying amount at end of year	7,275	-

LIFE SAVING VICTORIA LIMITED
ACN 102 927 364

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 6: PROPERTY, PLANT AND EQUIPMENT (CONT)

	2016 \$	2015 \$
Rescue Equipment		
Carrying amount at the beginning of the year	45,087	69,461
Acquisitions	26,790	-
Less - Depreciation charge for the year	33,815	24,374
Carrying amount at end of year	<u>38,062</u>	<u>45,087</u>
Training Equipment		
Carrying amount at the beginning of the year	-	-
Carrying amount at end of year	-	-
Total Property, Plant and Equipment	<u>3,917,242</u>	<u>4,466,616</u>

NOTE 7: INTANGIBLE ASSETS

IT Systems Development		
At cost	264,437	193,017
Less – Accumulated amortisation	120,251	48,705
Total IT Systems Development	<u>144,186</u>	<u>144,312</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	144,312	126,550
Acquisitions	71,420	66,467
Less - Depreciation charge for the year	71,546	48,705
Carrying amount at end of year	<u>144,186</u>	<u>144,312</u>

NOTE 8(a): TRADE AND OTHER PAYABLES

CURRENT		
Trade accounts payable	253,460	318,231
Other payables and accrued expenses	107,126	188,044
Total trade and other payables	<u>360,586</u>	<u>506,275</u>

NOTE 8(b): GRANTS IN ADVANCE

CURRENT		
Grants received in Advance for Life Saving Club Upgrades	6,755,000	3,030,000
Other Grants received in Advance	2,461,802	1,484,077
Total trade and other payables	<u>9,216,802</u>	<u>4,514,177</u>

LIFE SAVING VICTORIA LIMITED
ACN 102 927 364

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 9 (a) : EMPLOYEE PROVISIONS

	2016	2015
	\$	\$
CURRENT PROVISIONS EXPECTED TO BE SETTLED WITHIN 12 MONTHS		
Liability for annual leave	389,801	362,473
Liability for other provisions	-	12,770
	389,801	375,243
 CURRENT PROVISIONS EXPECTED TO BE SETTLED AFTER 12 MONTHS		
Liability for annual leave	149,131	138,676
Liability for long service leave	237,363	207,118
	386,494	345,794
 Total Current Provisions	776,295	721,037
 NON CURRENT		
Liability for long service leave	69,814	49,903
 Total Provisions	846,109	770,940
 MOVEMENT IN EMPLOYEE PROVISIONS		
Balance at the beginning of the year	770,940	829,480
Additional provisions	349,694	6,211
Amounts used	(274,525)	(64,751)
Balance at the end of the year	846,109	770,940

NOTE 9 (b) : EMPLOYEE BENEFITS EXPENSE

	2016	2015
	\$	\$
EXPENSES RECOGNISED FOR EMPLOYEE BENEFITS		
Wages and Salaries	4,772,116	4,770,810
Superannuation	472,077	442,221
Workers Compensation	45,558	51,969
	5,289,751	5,265,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

NOTE 10: FINANCIAL INSTRUMENTS

Financial assets	Note	Category	Carrying amount 2016 \$	Carrying amount 2015 \$
Cash and cash equivalents	3	N/A	5,534,213	589,168
Receivables	4	Receivables (at amortised cost)	675,658	733,548
Financial Assets	5	Loans and Receivables	6,999,743	6,864,756
Financial liabilities				
Payables	8	Financial liabilities measured at amortised cost	253,460	318,231

(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
2016							
Cash assets	5,534,213	-	5,532,363	1,850	-	-	-
Receivables	724,215	-	-	724,215	276,798	139,524	307,893
Financial Assets	6,999,743	6,999,743	-	-	-	-	-
	13,258,171	6,999,743	5,532,363	726,065	276,798	139,524	307,893
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

(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
ACN 102 927 364

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

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

	Nominal amount	Interest rate exposure			Maturity dates			
		Fixed interest rate	Variable interest rate	Non-interest bearing	Less than 1 month	1-3 months	3 months – 5 years	More than 5 years
2016								
Payables	253,460	-	-	253,460	253,460	-	-	-
	253,460	-	-	253,460	253,460	-	-	-
2015								
Payables	318,231	-	-	318,231	318,231	-	-	-
	318,231	-	-	318,231	318,231	-	-	-

(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
ACN 102 927 364

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

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
2016					
Financial assets:					
Cash assets	5,532,363	(55,324)	(55,324)	55,324	55,324
Financial Assets	6,999,743	(69,997)	(69,997)	69,997	69,997
Financial Liabilities:					
Nil	-	-	-	-	-
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	-	-	-	-	-

(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

	2016	2015
	\$	\$
Cash flows from operating activities		
Surplus/(Loss) for the period	(94,854)	311,438
Increase/(decrease) in provisions & employee benefits	75,169	(58,540)
Depreciation amortisation	603,098	658,255
(Gain)/Loss on sale of assets	(6,495)	(48,671)
Surplus before changes in working capital	576,918	862,482
Decrease/(increase) in trade & other receivables	50,114	(129,150)
(Increase)/decrease in inventory	2,971	26,569
Increase/(decrease) in trade & other payables	4,557,035	(57,368)
Net cash from operating activities	5,187,038	702,533

LIFE SAVING VICTORIA LIMITED
ACN 102 927 364

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

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
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
Mevan Jayawardena, Chief Operating Officer
Emma Atkins, General Manager Business Support
Andrew Dennis, General Manager Public Training and Pool Safety
Andrew Foran, General Manager Life Saving Club Development
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 seven (eight in 2014-15) key management personnel of the Company are as follows:

	2016	2015
	\$	\$
Short term employee benefits	968,488	973,002

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, no vehicles were sold by the company to Executives:

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

For the year ended 30 June 2016, the entity has not raised any provision for doubtful debts relating to amounts owed by related parties (2015: \$nil).

LIFE SAVING VICTORIA LIMITED
ACN 102 927 364

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 13: AUDITORS REMUNERATION	2016	2015
	\$	\$
Audit services		
Auditors to the Company	37,440	24,500
Other Auditing Services	8,200	6,700
Total Audit Services	<u>45,640</u>	<u>31,200</u>

NOTE 14: COMMITMENTS	2016	2015
	\$	\$
Commitments arising from contracts for expenditure not provided in the accounts:		
Operating Leases		
Within 12 Months	90,500	87,493
Greater than 12 months but less than 5 years	164,975	151,625
Greater than 5 years	148,200	179,400
Total Operating Lease Commitments	<u>403,675</u>	<u>418,518</u>

NOTE 15: CONTINGENT LIABILITIES

Bank Guarantees	<u>30,000</u>	<u>30,000</u>
-----------------	---------------	---------------

NOTE 16: 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 2016 LSV had a beneficial interest in funds within the Trust that had a market value of \$2,636,520 (\$2,496,516 June 2015).

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 2015-16 totalled \$440,764 (\$394,575 in 2014-15).

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 17: SUBSEQUENT EVENTS

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

NOTE 18: 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

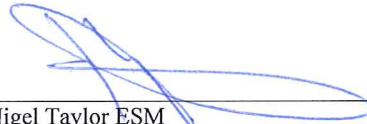
In the opinion of the directors of Life Saving Victoria Limited:

- (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 2016 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



Nigel Taylor ESM
Chief Executive Officer

Melbourne. 18 October 2016

**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 2016 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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

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 18 October 2016, 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 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Act 2001*.
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

DFK Kidsons Partnership

DFK KIDSONS PARTNERSHIP

Robert Wernli

Robert Wernli
Partner

Melbourne
19 October 2016

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 2016 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
18 October 2016

