

FINANCIAL REPORT



LANCE BARNES
DIRECTOR OF FINANCE

Surf Life Saving Sydney Northern Beaches Inc.

ABN 31 416 737 307

For the year ended March 31, 2016

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Surf Life Saving Sydney Northern Beaches Incorporated
ABN 31 416 737 307

Committee's Report

Your Committee members submit the financial accounts of Surf Life Saving Sydney Northern Beaches Incorporated (SLSSNB) for the financial year ended 31 March 2016.

Members of the SLSSNB Executive Committee are:

Branch President	Douglas Menzies (Newport)
Deputy President	Shannon Job (North Steyne)
Director of Finance	Lance Barnes (Newport)
Director of Lifesaving	Geoff Raper (North Palm Beach)
Director of Education & Assessment	Adrienne Lowe (Dee Why)
Director of Surf Sports	Darren Warrener (Avalon Beach)
Director of Member Services	Tracey Hare-Boyd (North Steyne)
Chief Executive Officer	Steven McInnes (Narrabeen Beach)

Principal Activities

The principal activities of the Association during the financial year were to provide, maintain and promote a safe beach and aquatic environment and be a valued Surf Lifesaving service to the community of Sydney Northern Beaches.

Significant Changes

No significant change in the nature of these activities occurred during the year.

DIRECTOR OF FINANCE REPORT

Operating Result

The surplus/(deficit) from operating activities amounted to:

Year ended 31 March 2016	Year ended 31 March 2015
\$ 40,955	\$ 17,629

This result was much better than our budget as we were able to deliver both a higher level of revenue and capture savings in our expenses. The Branch has done a good job at finding some new sponsorships this year and we strive to provide sufficient value to all our sponsors to ensure a long, mutually beneficial relationship.

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The Directors of the Executive have also done a great job again this year managing the expenses in their portfolios effectively.

I would like to express our thanks for the continuing support of our sponsors-particularly our major sponsor Unilever, Councils and local businesses whose generosity assists us in delivering a high level of beach safety. During this year we made Capital Investments of \$21,431 primarily in Lifesaving and Surf Sports and at year end we were awaiting delivery of a new Surf Rescue vehicle thanks to a generous grant from Dee Why RSL spanning the next three years.

At the beginning of this year we folded the Surf Life Saving School back into the Branch operations achieving a number of operational efficiencies. The Surf School's activities have again been very successful this year with revenue achieving the increased budget levels and we are looking to continue this trend.

Our cash at bank position is much improved from last year as the timing of sponsorship payments has improved and we were able to remove the mortgage balance and have funds on deposit at year-end, a healthy situation to start the new year. At the end of the year we moved our banking relationship to the Commonwealth Bank and set in place a funding framework to ensure the financial requirements of the Branch can be met in the future. During this year the changes to revenue flows we experienced due to sponsorship changes put our cash flow under severe pressure and this was well managed by the Branch team. Our new banking arrangements improve our ability to manage the Branch operations over the long term.

Next Year

Sponsorship continues to be a key revenue focus of the Executive, delighting our current sponsors and finding extra sponsorship enables the Branch to remain financially healthy and able to provide its member clubs a continuing high level of service. We have a number of great sponsors supporting us and approaches to potential new sponsors are ongoing. We are confident that the Surf Life Saving Sydney Northern Beaches brand has many positives to offer sponsors.

Our budget for the coming year reflects a small profit allowing us to focus on delivering our wide range of services and invest in key areas. We are planning to further increase the level of income provided to the Branch by the Surf School, building on their excellent result this year.

At the beginning of the new financial year we will change our financial software to Xero, which will improve our reporting capability and provide further efficiency opportunities.

I look forward to working with the Executive and the Branch team to help deliver another successful year.



Lance Barnes – Director of Finance

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Post Balance Date Events

There were no matters or circumstances that have arisen since the end of the financial year which have or may significantly affect the operations of the Association future financial years.

Future Developments

The Association will continue to pursue its principal activities as stated. The Committee members do not anticipate any changes in the operations of the Association which will affect the results in subsequent years.

Environmental Issues

The Association operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Indemnifying Officers and Auditor

The Association has maintained insurance policy to cover all current BoM member, adviser, auditor, employee or agent against liabilities for cost and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of officers of the association.

Legal Proceedings

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

Contribution in winding up

The Association is incorporated under the Associations Incorporation Act 2009 and has limited liability. If the Association is wound up, the constitution states that each member's liability is limited to the amount, if any, unpaid by the member in respect of membership towards meeting any outstanding obligations of the association.

Auditor's Independence Declaration

The auditor's independent declaration for the year ended 31 March 2016 has been received and can be found on page 70.

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Signed in accordance with a resolution of the Members of the Committee on:



President



Director of Finance

Date: July 4, 2016

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE MEMBERS OF THE COMMITTEE OF SURF LIFE SAVING SYDNEY
NORTHERN BEACHES INC.**

To the Members of the Committee of Surf Life Saving Sydney Northern Beaches Inc.

In accordance with the requirements of section 52(2) of the *Associations Incorporations Act 2009*, as lead auditor for the audit of Surf Life Saving Sydney Northern Beaches Inc. for the year ended 31 March 2016, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the code of professional conduct in relation to independence in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board..

Name of Auditor:



Peter M Power

Address:

Suite 5, 11 Waratah Street, Mona Vale NSW 2103

Dated this 4th day of July 2016

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Statement of Financial Position

For the year ended 31 March 2016

	Note	2016 \$	2015 \$
CURRENT ASSETS			
Cash assets	4	103,851	41,636
Receivables	5	128,119	156,996
Other	6	24,654	26,056
TOTAL CURRENT ASSETS		256,625	224,688
NON-CURRENT ASSETS			
Property, plant and equipment	7	975,478	1,025,617
Other	7	-	1,030
TOTAL NON-CURRENT ASSETS		975,478	1,026,647
TOTAL ASSETS		1,232,103	1,251,336
CURRENT LIABILITIES			
Payables	8	66,883	20,054
Current tax liabilities	9	45,932	31,515
Provisions	10	49,204	47,577
Others	11	95,000	95,002
TOTAL CURRENT LIABILITIES		257,020	194,146
NON-CURRENT LIABILITIES			
Mortgage	12	106	99,907
TOTAL NON-CURRENT LIABILITIES		106	99,907
TOTAL LIABILITIES		257,125	294,054
NET ASSETS		974,977	957,282
ACCUMULATED FUNDS			
Accumulated funds at the end of the financial year	13	974,977	957,282
TOTAL ACCUMULATED FUNDS		974,977	957,282

This statement should be read in conjunction with the notes to the financial statements.

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Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2016

	Note	2016 \$	2015 \$
Revenues from ordinary activities	2	1,230,230	1,128,254
Expenses classified by functional activity			
Education		(31,390)	(35,540)
Fundraising expense		(15,828)	(18,112)
Support		(994,299)	(915,225)
Surf Life Saving School		(23,762)	
Surf Rescue Lifesaving		(48,197)	(65,050)
Surf Sports		(72,131)	(73,606)
Member Services		(3,667)	(3,090)
Operating Surplus/(Deficit)	3	40,955	17,629
Other comprehensive Income			
Revaluation of land and building		-	20,000
Wind up/Prior year adjustment	13	(5,567)	(51,354)
Donation to clubs		(17,694)	-
Other comprehensive Income for the period		(23,261)	(31,354)
Total comprehensive income/(loss)		17,694	(13,725)

This statement should be read in conjunction with the notes to the financial statements.

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Statement of Changes in Equity

For the year ended 31 March 2016

	Notes	Reserves \$	Accumulated Surplus/(deficit) \$	Total Members' fund \$
Balance at 1 April 2014		-	971,007	971,007
Other comprehensive income		(31,354)	-	(31,354)
Surplus for the year			17,629	17,629
Balance at 31 March 2015	13	(31,354)	988,636	957,282
Balance at 1 April 2015		(31,354)	988,636	957,282
Other comprehensive income		(23,261)		(23,261)
Surplus for the year			40,955	40,955
Balance at 31 March 2016	13	(54,615)	1,029,592	974,977

This statement should be read in conjunction with the notes to the financial statements.

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Statement of Cash Flows

For the year ended 31 March 2016

	Notes	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from operating activities		1,378,196	1,141,046
Payments to suppliers and employees		(1,181,181)	(1,151,545)
Interest received		36	157
Borrowing costs		(6,802)	(7,137)
Net cash inflow from operating activities	15	190,249	(17,479)
Cash Flows from investing activities			
Payment for property, plant and equipment		(21,432)	(41,225)
Proceeds from disposal of plant & equipment			3,688
Net cash inflow / (outflow) from investing activities		(21,432)	(37,537)
Cash Flows from financing activities			
Proceeds from borrowings		322,400	157,504
Repayment of borrowings		(429,004)	(99,907)
Net cash inflow / (outflow) from financing activities		(106,604)	57,597
Net increase / (decrease) in cash held		62,213	2,581
Cash at the beginning of the financial year		41,638	39,057
Cash at the end of the financial year	14	103,851	41,638

This statement should be read in conjunction with the notes to the financial statements.

Notes to the financial statements

Note 1: Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporations Act (NSW) and the NSW Charitable Fundraising Act and Regulations.

The financial report covers Surf Life Saving Sydney Northern Beaches Incorporated. Surf Life Saving Sydney Northern Beaches Incorporated is an Association incorporated in (NSW) under the Association Incorporations Act 2009.

The financial report of Surf Life Saving Sydney Northern Beaches Incorporated complies with all Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety

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

(A) Basis of Preparation

Surf Life Saving Sydney Northern Beaches Incorporated has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (IFRS) from the 1 July 2005.

The accounting policies set out below have been consistently applied to all years presented. The entity has however elected to adopt exemptions available under AASB 1 relating to AASB 132: Financial Instruments: Disclosure and Presentation, and AASB 139: Financial Instruments: Recognition and Measurement. Refer the Notes for further details.

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.

(B) Accounting Policies

Taxes

Income Tax: Under the New Tax System, the Association was endorsed on 1 July 2000 by the ATO as an income tax exempt charity.

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Fringe Benefits Tax: The Association, as a Public Benevolent Institution, was exempt from fringe benefits tax under Section 57A, Fringe Benefits Tax Assessment Act 1986. Grossed up value of specified fringe benefits to individual employees has been included on each employee's Statement of Earnings as required by law. From 1 April 2001 this exemption ceased for certain fringe benefits paid to employees in excess of \$30,000 grossed up value for each employee.

Capital Gains Tax: The Association, as a Public Benevolent Institution, is exempt from capital gains tax under Section 50-5, Income Tax Assessment Act 1997.

Property, Plant and Equipment

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

a) Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuation by external independent valuer, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalue amount of the asset.

b) Plant and equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from those 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 not been discounted to present values in determining the recoverable amounts.

The cost of fixed assets constructed within Surf Life Saving Sydney Northern Beaches Incorporated includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount recognised as a separate asset, as appropriate, only when it is probable that the 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 income statement during the financial period in which they are incurred.

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Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalue carrying amount of the asset charged to the income statement and depreciation based on the assets original cost is transferred from the revaluation reserve to retained earnings.

c) Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to Surf Life Saving Sydney Northern Beaches Incorporated commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are:

Class of Asset	Depreciation Rate %
Buildings	2.5%
Plant and equipment	13 – 23%
Other furniture and equipment	10 – 40%
Motor vehicles	18%
Other	20%

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

An asset 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 disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalue assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

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Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to Surf Life Saving Sydney Northern Beaches Incorporated are classified as finance leases.

Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that Surf Life Saving Sydney Northern Beaches Incorporated will obtain ownership of the asset or over the term of the lease.

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

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

Financial Instruments

a) Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

b) Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in fair value of these assets are included in the income statement in the period in which they arise.

c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are stated at amortised cost using the effective interest rate method.

d) Held-to-maturity investments

These investments have fixed maturities, and it is the company's intention to hold these investments to maturity. Any held-to-maturity investments are stated at amortised cost using the effective interest rate method.

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e) Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

f) Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

g) Derivative Instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the income statement unless they are designated as hedges.

h) Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

i) Impairment

At each reporting date, the Committee members assess whether there is objective evidence that financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis and include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses.

Impairment of Assets

At each reporting date, the Committee members review the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the assets fair value less costs to

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sell and value in use, is compared to the asset's carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

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

Employee Benefits

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year have been measured at the amount expected to be paid when the liability is settled, plus related on-costs. Employee entitlements payable later than one year have been measured at the present value of the estimated future cash out flows to be made for those entitlements.

Provisions

Provision are recognised when Surf Life Saving Sydney Northern Beaches Incorporated has a legal or constructive obligation, as a result of past events, for which it is probable that the outflow of economic benefit will result and that the outflow can be measured reliably.

Cash and Cash Equivalents

Cash and Cash Equivalents includes cash on hand, deposits held at call with banks or financial institutions, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the balance sheet.

Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking in to account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

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Grants

A number of the Branch's programs are supported by grants received from local government and non-government institutions.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. 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 in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Disposal of Surplus

Annual Surplus: The Associations Incorporations Act prohibits the distribution of any surplus to Members. All income must be applied solely towards the promotion of the objects of the Association.

Surplus on Liquidation: As required by the Charitable Fundraising Act 1991, the Income Tax Assessment Act 1997 and Tax Ruling TR 2000/12 and Rule 35 of the Constitution, any assets remaining upon the winding up of the Association must be applied to the objects or purposes for which they were raised.

Comparative Figures

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

a) Critical accounting estimates and judgments

The Committee members evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and internally.

This statement should be read in conjunction with the notes to the financial statements.

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Key estimates - Impairment

The Committee members assess impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

This statement should be read in conjunction with the notes to the financial statements.

Note 2: Financial risk management objectives and policies

The Association's principal financial instruments are comprised of cash, receivables and payables.

The Association manages its exposure to key financial risks in accordance with its financial risk management policy. The objective of the policy is to support the delivery of the Association's financial targets while protecting future financial security.

The main risks arising from the Association's financial instruments are:

- Market risk
- Credit risk
- Liquidity risk.

The Association uses different methods to measure and manage the risks to which it is exposed. These include:

- Monitoring levels of exposure to interest rates
- Monitoring assessments of market forecasts for interest rates
- Ageing analysis and monitoring of specific credit balances to manage credit risk
- Liquidity risk monitoring through the development of future rolling cash flow forecasts.

The Committee reviews and agrees on policies for managing each of these risks. The policies are summarised below.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The main component of market risk to the Association is interest rate risk.

Interest rate risk refers to the risk that movements in variable interest rates will affect financial performance by increasing interest expenses or reducing interest income.

Interest rate risk arises from financial assets and liabilities that are subject to floating interest rates. The Association's exposure to market interest rates relates primarily to:

- Cash and cash equivalents

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Financial Risk

	Principal subjected to floating rate	Non-interest bearing	Total
2015			
Financial assets			
Cash and cash equivalents	41,636		41,636
Trade and other receivables		156,996	156,996
Total financial assets	<u>41,636</u>	<u>156,996</u>	<u>198,632</u>
Financial liabilities			
Trade and other payables		20,054	20,054
Borrowings	99,907		99,907
Total financial liabilities	<u>99,907</u>	<u>20,054</u>	<u>119,962</u>
2016			
Financial assets			
Cash and cash equivalents	103,851		103,851
Trade and other receivables		128,119	128,119
Total financial assets	<u>103,851</u>	<u>128,119</u>	<u>231,970</u>
Financial liabilities			
Trade and other payables		66,883	66,883
Borrowings	106		106
Total financial liabilities	<u>106</u>	<u>66,883</u>	<u>66,989</u>

This statement should be read in conjunction with the notes to the financial statements.

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		Unrestricted Funds	Restricted Funds	2016 \$	2015 \$
Note 2 Revenue					
Operating activities					
Major	Sponsorship	361,455		361,455	431,642
	Grants	65,355		65,355	56,381
	NSW Club Grants	27,500		27,500	23,391
	Surf Sports	83,292		83,292	93,490
	Fundraising	-	14,763	14,763	14,884
	Fees for services	674,862		674,862	510,627
Minor	Donations	27,448		27,448	1,339
	Interest received	115		115	157
		<u>1,240,028</u>	<u>14,763</u>	<u>1,254,791</u>	<u>1,131,912</u>
Non operating activities					
	Profit/(Loss) on disposal of assets	-		-	(3,658)
		<u>1,240,028</u>	<u>14,763</u>	<u>1,254,791</u>	<u>1,128,254</u>
Note 3 Surplus from ordinary activities					
Operating surplus/(deficit) from ordinary activities has been determined after					
Depreciation of non-current assets					
	Buildings	10,249		10,249	10,250
	Motor Vehicles	11,205		11,205	11,195
	Office Equipment	14,033		14,033	13,569
	Plant & Equipment	36,083		36,083	34,275
	Remuneration of Auditor	3,636		3,636	3,693
Note 4 Cash Assets					
Current					
	Cash at bank and on hand	103,851		103,851	41,636
		<u>103,851</u>	<u>-</u>	<u>103,851</u>	<u>41,636</u>
Note 5 Receivables					
Current					
	Account receivable	46,365		46,365	84,964
	Other receivable	81,754		81,754	72,032
		<u>128,119</u>	<u>-</u>	<u>128,119</u>	<u>156,996</u>
Note 6 Other Assets					
Current					
	Prepayments	7,309		7,309	4,611
	Inventory	17,345		17,345	21,444
		<u>24,654</u>	<u>-</u>	<u>24,654</u>	<u>26,056</u>

This statement should be read in conjunction with the notes to the financial statements.

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	Unrestricted Funds	Restricted Funds	2016 \$	2015 \$
Note 7 Property, Plant and Equipment				
Plant and Equipment - at cost	246,904		246,904	227,384
Less: Accumulated Depreciation	(141,449)		(141,449)	(105,366)
	<u>105,455</u>	-	<u>105,455</u>	<u>122,018</u>
Office Furniture & Equipment - at cost	185,312		185,312	183,402
Less: Accumulated Depreciation	(141,858)		(141,858)	(127,824)
	<u>43,455</u>	-	<u>43,455</u>	<u>55,577</u>
Motor Vehicles - at cost	89,564		89,564	89,564
Less: Accumulated Depreciation	(49,681)		(49,681)	(38,507)
	<u>39,882</u>	-	<u>39,882</u>	<u>51,057</u>
Other Assets - at cost	31,560		31,560	31,560
Less: Accumulated Depreciation	(31,560)		(31,560)	(31,560)
	<u>-</u>	-	<u>-</u>	<u>-</u>
Buildings - at valuation	847,765		847,765	847,765
Less: Accumulated Depreciation	(61,079)		(61,079)	(50,801)
	<u>786,686</u>	-	<u>786,686</u>	<u>796,964</u>
Total	<u>975,478</u>	-	<u>975,478</u>	<u>1,025,617</u>
Formation expenses	-		-	1,030
Other Assets	-	-	-	<u>1,030</u>
Note 8 Payables				
Unsecured				
Trade creditors	36,590		36,590	7,347
Other creditors	30,294		30,294	12,707
	<u>66,883</u>	-	<u>66,883</u>	<u>20,054</u>
Note 9 Tax Liabilities				
Current				
GST payable	39,461		39,461	24,938
Amount withheld from salary and wages	6,471		6,471	6,577
	<u>45,932</u>	-	<u>45,932</u>	<u>31,515</u>

This statement should be read in conjunction with the notes to the financial statements.

Surf Life Saving Sydney Northern Beaches Incorporated
ABN 31 416 737 307

	Unrestricted Funds	Restricted Funds	2016 \$	2015 \$
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Note 10 Provisions

Current

Employee entitlements	49,204		49,204	47,577
	49,204	-	49,204	47,577

Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to annual, personal/carer and long service leave for employees. In calculating the present value and future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been included in Note: Statement of Significant Accounting Policies.

Note 11 Others

Current

Deferred revenue	95,000		95,000	95,002
	95,000	-	95,000	95,002

Note 12 Finance Liabilities

Non-Current

Mortgage	106		106	99,907
	106	-	106	99,907

The finance facility of \$450,000 with Westpac was originally taken out to purchase 9/1 Vuko Place, Warriewood. It is a principal and interest revolving facility. During the year, the facility has been paid down and redraws regularly to meet ongoing cash flow requirement.

Note 13 Accumulated Funds

Accumulated funds at the beginning of the year	957,282		957,282	971,008
Operating surplus/(deficit)	40,955		40,955	17,630
Other comprehensive income/(loss)	(23,261)		(23,261)	(31,355)
Accumulated funds at the end of the year	974,977	-	974,977	957,282

On the 1st April 2015, all the School activities have ceased and the company has been de-registered. As part of the process of winding up the subsidiary, all the intercompany loan between the parties have been written off resulting in a capital repayment of \$24,561 against share capital of \$30,128 resulting in a net adjustment of \$5,567 against the group's accumulated funds.

This statement should be read in conjunction with the notes to the financial statements.

Surf Life Saving Sydney Northern Beaches Incorporated
ABN 31 416 737 307

	Unrestricted Funds	Restricted Funds	2016 \$	2015 \$
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Note 14 Reconciliation of Cash

For the purposes of statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the Balance Sheet as follows:

Westpac Cheque Account	3,851		3,851	41,636
Term deposits	100,000		100,000	
	103,851	-	103,851	41,636

Note 15 Reconciliation of Net Cash Provided By/Used In Operating Activities To Operating Surplus

Operating surplus/(deficit)	17,694		17,694	17,630
Profit/(Loss) on sale of non-current assets	-		-	4,164
Depreciation	71,570		71,570	69,289
Movement due to different accounting year end	-		-	(51,534)
Interest charged	6,802		6,802	7,137

Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries

(Increase)/decrease in receivables	28,878		28,878	(31,709)
(Increase)/decrease in other assets	2,431		2,431	(16,885)
Increase/(decrease) in payables	46,832		46,832	(32,989)
Increase/(decrease) in tax liabilities	14,417		14,417	23,102
Increase/(decrease) in provisions	1,628		1,628	5,552
Increase/(decrease) in other liabilities	(2)		(2)	(11,237)
Net cash provided by (used in) operating activities	190,251	-	190,251	(17,480)

Note 16 Interest Income

Cash management account	115		115	157
	115	-	115	157

Note 17 Insurance Cover

General	3,144		3,144	4,243
Workers Compensation	2,880		2,880	2,335
	6,025	-	6,025	6,579

This statement should be read in conjunction with the notes to the financial statements.

Surf Life Saving Sydney Northern Beaches Incorporated
ABN 31 416 737 307

	Unrestricted Funds	Restricted Funds	2016 \$	2015 \$
Note 18 Commitments				
Operating leases payable				
Within one year	456		456	456
After one year but not later than five years	1,824		1,824	2,280
After five years	-		-	6,384
	2,280	-	2,280	9,120

The Association has entered into a lease agreement with the NSW State Government for a period of 21 years expiring in 2035 for its Fisherman’s Beach Radio Room. Increases in lease commitment may occur in line with market rental reviews in accordance with the agreement.

Note 19: Contingent Liabilities

There are no contingent liabilities that the Committee members are aware of that will have material effects to the financial reports.

Note 20: Events Subsequent to Reporting Date

There are no events subsequent to reporting date that the Committee members are aware of that will have material effects to the financial reports.

This statement should be read in conjunction with the notes to the financial statements.

Surf Life Saving Sydney Northern Beaches Incorporated
ABN 31 416 737 307

Note 21: Financial Instruments

	Loans and receivables	Financial liability measured at amortised cost	Total
2015			
Current financial assets			
Cash and cash equivalents	41,636		41,636
Trade and other receivables	156,996		156,996
Total current financial assets	198,632	-	198,632
Current financial liabilities			
Trade and other payables		(20,054)	(20,054)
	-	(20,054)	(20,054)
Non-current financial liabilities			
Borrowings		(99,907)	(99,907)
Total financial liabilities	-	(99,907)	(99,907)
Net financial assets/(liabilities)	198,632	(119,962)	78,670
2016			
Current financial assets			
Cash and cash equivalents	103,851		103,851
Trade and other receivables	128,119		128,119
Total current financial assets	231,970	-	231,970
Current financial liabilities			
Trade and other payables		(66,883)	(66,883)
	-	(66,883)	(66,883)
Non-current financial liabilities			
Borrowings		(106)	(106)
Total financial liabilities	-	(106)	(106)
Net financial assets/(liabilities)	231,970	(66,989)	164,981


This statement should be read in conjunction with the notes to the financial statements.

Members of the Committee's declaration

In the opinion of the Committee the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements:

1. Presents fairly the financial position of Surf Life Saving Sydney Northern Beaches Incorporated as at 31 March 2016 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:



President



Director of Finance

Date:

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SURF LIFE SAVING SYDNEY NORTHERN BEACHES INC.**

A.B.N. 31 416 737 307

Report on the Financial Report

I have audited the accompanying financial report, being a general purpose financial report of Surf Life Saving Northern Beaches Inc., which comprises the statement of financial position as at 31 March 2016, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes and other information and the statement by members of the committee.

Committee's Responsibility for the Financial Report

The committee of Surf Life Saving Sydney Northern Beaches Inc. is responsible for the preparation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the NSW Charitable Fundraising Act 1991 and Regulations, the NSW Associations Incorporation Act 2009 and is appropriate to meet the needs of the members. The committee's responsibility also includes such internal control as the committee determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

My responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. 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 auditors' 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 auditors consider 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 committee, 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.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SURF LIFE SAVING SYDNEY NORTHERN BEACHES INC. &
CONTROLLED ENTITY
A.B.N. 31 416 737 307

Auditors' Opinion

Qualification: Donations and Fund Raising Activities

It is not practical for Surf Life Saving Sydney Northern Beaches Inc. to maintain an effective system of internal control over donations and fund raising activities until their entry in the accounting records. Accordingly, my audit in relation to donations and fund raising was limited to amounts recorded.

Qualified Audit Opinion

In my opinion, subject to the effects of such adjustments, if any, as might have been determined to be necessary had the limitation discussed in the qualification paragraph not existed, the financial report of Surf Life Saving Sydney Northern Beaches Inc. presents fairly in all material respects the financial position of Surf Life Saving Sydney Northern Beaches Inc. as at 31 March 2016 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements, and the NSW Charitable Fundraising Act 1991, the NSW Associations incorporation Act and the association's constitution.

Basis of Accounting

Without modifying my opinion, I draw attention to Note 1, which describes the basis of accounting. The financial report has been prepared to meet the above requirements. As a result, the financial report may not be suitable for another purpose.

Name of Auditor:


Peter M Power

Qualification:

Member of the Institute of Chartered Accountants in Australia – 15380

Address:

Suite 5, 11 Waratah Street, Mona Vale NSW 2103

Dated: 4th July 2016