

# **Life Saving Victoria Limited**

ACN: 102 927 364

## **Annual Financial Report**

For the Year Ended 30 June 2020

# Life Saving Victoria Limited

ACN: 102 927 364

## Contents

For the Year Ended 30 June 2020

<b>Financial Report</b>	Page
Directors' Report	1
Auditor's Independence Declaration	14
Statement of Profit or Loss and Other Comprehensive Income	15
Statement of Financial Position	16
Statement of Changes in Equity	17
Statement of Cash Flows	18
Notes to the Financial Statements	19
Directors' Declaration	46
Independent Audit Report	47

# Life Saving Victoria Limited

ACN: 102 927 364

## Directors' Report 30 June 2020

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

The directors present their report on Life Saving Victoria Limited for the financial year ended 30 June 2020.

### Company particulars

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

Life Saving Victoria Limited  
200 The Boulevard  
Port Melbourne Victoria 3207

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

### Members' liability

The Company is limited by guarantee. If the Company is wound up, the Constitution states that each member, of which there are approximately 38,213, 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 2020 and the Auditor's Report thereon.

### Directors

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

Paul James	
Darren McLeod	(Term completed November 2019)
David Rylance	
Georgie Wettenhall	
Vincent Sheehan	
Peter Williams	(Term completed November 2019)
Rachael Rylance	
Angela Malan	
Liz Tesone	(Resigned August 2019)
Shane Dunne	
Susan Wolff	
Adam Alsbury	(Appointed November 2019)
Kane Treloar	(Appointed November 2019)
Anthony Neal	(Appointed September 2020)

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

### Principal activities

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

# Life Saving Victoria Limited

ACN: 102 927 364

## Directors' Report

30 June 2020

### Review of operations and results

Life Saving Victoria (LSV) has faced many challenges this financial year particularly the bushfires and the ongoing impact of COVID-19. However, LSV has demonstrated through this period the strength of its people, programs and processes showing resilience and determination to continue to deliver our mission of preventing aquatic death and injury in all Victorian communities across all waterways.

As an organisation we have demonstrated the ability put strong contingency plans in place and adapt to new working environments. Within one month of the destruction of the Mallacoota SLSC first aid trailer and supplies in the bushfires, patrols had started again. With the assistance of the Westpac Lifesaver Rescue Helicopter Service and other clubs around the state who donated equipment and supplies to the club. Mallacoota SLSC was again a pivotal part of lifesaving in the community.

With the onset of COVID-19 all staff, volunteers and members shifted overnight to working remotely, leveraging our established cloud-based technology landscape to seamlessly continue working with and for the Victorian community. We continued essential education, awareness and professional development to enable people @home. Examples include:

- Digital delivery of training courses - CPR@home and first aid@home;
- Online Professional Development sessions including the:
  - AFAR- Aquatic, Fitness and Recreation Industry series;
  - Blue Connections; and
  - Female Leadership Network programs.
- Nippers@home;
- CPR for kids@home;
- Water Safety@home; and
- Multicultural "Meet a lifeguard" and "Where are they now" programs delivered online.

Our function centre also adapted to the changing environment with the implementation of gourmet@home, a takeaway meals program.

This ability to adapt so successfully to a digital environment from the traditional face to face model(s) will change the way LSV delivers programs in the future to reach previously unknown or less connected participants.

LSV was also an integral part of the government's emergency response with over 100 staff and volunteers from 20 lifesaving clubs packing COVID-19 testing kits and organising food parcels and site maintenance at the locked down public housing towers in North Melbourne.

### LSV's key successes of the year

- *Swimming and Water Safety in Schools*

The 2019-20 year saw LSV fundamentally consolidate and secure its' place in the education sector with our strong partnerships with the Department of Education and Training (DET), schools, aquatic facilities and swim schools this year.

A record 26,717 Victorian Water Safety Certificates were issued in the 2019 School year, an increase of 327% from 2018-19. This was coupled with a corresponding increase of 38% per student for the Swimming in Schools initiative which DET has confirmed can be held over to the next financial year due to COVID-19.

- *New SwimSafe Public Pools Safety Campaign Developed and Implemented in over 75 Public Pools*

In December 2019, LSV's Pool Safety team launched the new SwimSafe public safety campaign following the research work and findings delivered by LSV's Risk and Research Team over the last four years.

SwimSafe is a safety campaign borne out of coronial recommendations that aims to educate adult vulnerable swimmers about the hazards associated with aquatic environments and is a key step towards making public pools safer for vulnerable swimmers.

# Life Saving Victoria Limited

ACN: 102 927 364

## Directors' Report

30 June 2020

### Review of operations and results (continued)

- *State of Sector Report*

LSV and Aquatics and Recreation Victoria (ARV) collaborated to support a better understanding of the Victorian public pool landscape for a second year in a row.

Building on the legacy of independent state of industry reports, this collaborative publication is intended to provide a broad snapshot of the industry, enabling better tracking and comparison of key metrics such as industry size, breadth and social / economic value. The report acts as one true source of information, enabling improved analysis and evaluation and more informed decision making.

The Victorian State Government continued to acknowledge the need for the provision of specialist water safety programs within multicultural communities, with \$445,909 made available for this purpose in 2019-20 (2018-19 – 436,767). An additional \$125,000 continues to be provided by VicHealth for the Growing Participation in Sport - The Key to Aquatics Project for CALD communities. In the shortened season of 2019-20, the programs were able to reach 21,144 participants (2018-19 19,530 participants)

There was continued growth in membership at our 57 affiliated lifesaving clubs, with our 38,123 members (2018-19 – 35,383) performing a vital lifesaving role on our coast. LSV also produced the first version of our Search & Rescue Profile for Victoria. This one-page summary outlines our capability across volunteer lifesavers, paid lifeguards, fleet of rescue vehicles and watercrafts, aerial services and communications.

Together with our members, permanent, casual and seasonal staff, licensees, community education and aquatic industry members, and associated marine and rescue organisations, we continue to engage in all areas of the community and build positive partnerships with all stakeholders for community resilience strategies and initiatives.

### Pandemic Financial Impact – COVID-19

LSV's social enterprise activities have been severely impacted by the restrictions imposed due to the pandemic in the June quarter of 2020. In this period, there was a decrease of 55% (\$511K) from 2018-19 revenue and 65% (\$788K) of 2019-20 projected revenue in these areas as well as no income from other activities across the organisations. In addition, performance obligations under grant agreements were unable to be met, with up to \$100K of grant revenue unable to be recognised for the period.

LSV immediately implemented steps to combat this loss of income with:

- Formulation of a detailed Pandemic plan for all parts of the organisation in line with the Business Continuity Plan
- Development of a 15 month plan which considered worst case, and incrementally better scenarios, to make sure LSV could be a going concern and deliver on our mission and vision.
- All permanent staff hours scaled down for the 3 months in the last quarter of 2019-20
- All staff taking leave where possible
- All discretionary spending reviewed and ceasing where possible
- All program costs reviewed where there was no corresponding income
- Applying for all state and government support grants where available. Many of these have been received in the 2020-21 year
- Working with the state government to receive additional support in the 2020-21 state budget to enable LSV to maintain service levels in the 2020-21 summer period, recognising the limited ability to generate income to support these activities. The outcome of these applications will be known in the 2020-21 State budget announcement.

# Life Saving Victoria Limited

ACN: 102 927 364

## Directors' Report

30 June 2020

### Review of operations and results (continued)

#### Pandemic Financial Impact – COVID-19 (continued)

LSV was able to benefit from federal government stimulus packages during the pandemic. Within the 2019-20 financial year the total benefits received were:

	\$
Cash flow boost	50,000
JobKeeper	1,052,533
<b>Total</b>	<b>1,102,533</b>

LSV's financial position in 2020-21 will continue to be affected by the ongoing restrictions imposed by the government's response to the Pandemic. LSV will support lifesaving clubs and the broader aquatic industry wherever possible during this period. All funds for lifesaving clubs will be distributed as soon as received with no fees charged for activities. Discounts will be offered to the aquatic industry for training and assessments to ensure the ongoing viability of the industry as a whole.

#### Facilities

An ongoing focus is the redevelopment and upgrade of Lifesaving Club Facilities with our partnership with Emergency Management Victoria and the Emergency Services Infrastructure Authority.

Facility redevelopments were completed at South Melbourne and Jan Juc during the year with an administrative issue delaying the completion of Cape Paterson within the financial year. Works continue for upgrades to the following facilities (with amounts held by LSV on their behalf)

- Anglesea (\$0.15M)
- Edithvale (\$0.75M)
- Point Lonsdale (\$.94M)
- Brighton (\$1.00M).

During the 2019-20 year, LSV continued to address the urgent upgrades and repairs after the comprehensive review of all lifesaving facilities clubhouses and ancillary buildings in the 2017-18 year. These include Wonthaggi (part paid in 2018/19 year), Woolamai, Gunnamatta, Mildura and Torquay. All upgrades are due to be completed in the 2020-21 year.

#### Financial

The full financial year result for 2019-20 was deficit of \$116,933 (2018-19: surplus of \$409,854).

The high fluctuations over previous years are mainly due to the recognition of revenue under the previous standards, however with the introduction of AASB 1058 *Income of Not-for-Profit Entities* and AASB 15 *Revenue from Contracts with Customers* fluctuations due to revenue recognition should be eliminated.

The impact of the introduction of these standards is detailed in Note 1 (q).

LSV has also changed the way in which we account for lease arrangements with the introduction of new disclosures in AASB 16 Leases, detailed in note 1 (q). Due to the new standard, the contractual arrangement with Microflite for the provision of helicopter services has also been designated as a lease and details are included in Note 8.

There has been a significant change in the disclosures within these statements, particularly a new format detailing the Statement of Profit and Loss. The details regarding the breakup of the revenue is within Note 2 and is determined by the disclosure requirements of the standards. A further breakup of grants revenue is as follows:

# Life Saving Victoria Limited

ACN: 102 927 364

## Directors' Report

30 June 2020

### Financial (continued)

Grant Revenue	\$
Aquatic industry Support	200,000
Aquatic Sport	254,845
Education	1,331,879
Federal Funding - Volunteer Training	409,587
Government and Industry Relations	267,079
Grants for Clubs	666,150
IT Support	163,333
Lifeguard Services	942,714
Lifesaving Operations	816,500
Media and Communications	859,206
Membership and Leadership	97,000
Multicultural programs	729,163
Pool Safety	421,419
Risk and Research	606,287
Volunteer Support	1,530,788
<b>Total</b>	<b>9,295,951</b>

In the past 2 years, social enterprise has contributed consistently 38%-39% of the total revenue, even as the total revenue from other sources has grown in the same period. However due to the impact of the pandemic, this has reduced to 34% for the current year, with grant and fundraising income therefore making up a greater portion of revenue at 53% (2018-19 47%).

Other key financial items to note during the year are as follows.

- LSV received the second year of funding from the 2-year additional \$3.78M of funding from the Department of Education and Training (\$2.10M) and Department of Justice (\$1.70M) (through Emergency Management Victoria). This funding was received to address School Swimming and Water Safety (\$491K held for programs to be delivered in 2020-21), additional Lifeguard services, Rescue Water Services, Volunteer Support and implementing the Coroner's recommendations into public swimming pool safety.
- Further income of \$1.13M was received for the redevelopment of clubhouses to supplement income already received. Cape Paterson received an additional \$0.52M through the Community Support Fund and Point Lonsdale received \$0.61M through the Emergency Services Infrastructure Fund. As in prior years, these funds have not been recognised by LSV as they are serving in an agency capacity in the management of these funds.
- The Surf Life Saving Foundation distributions received totalled \$208,784 (2018-19 \$466,323). Funds were acknowledged as income during the financial year, in line with the treatment in prior years and contributed to the net result.

### Subsequent Events

The outbreak of COVID-19 and the subsequent quarantine measures imposed by the Australian and Victorian Governments during 2020 have caused disruption to businesses and economic activity.

LSV considers the commencement of the Stage 4 quarantine measured imposed within Melbourne during August 2020 to be a non-adjusting post balance sheet event and accordingly the financial effects of COVID-19 during this period have not been reflected in LSV's financial statements at 30 June 2020.

As the outbreak of COVID-19 has had a material impact on the current year results with the resultant loss of social enterprise income as detailed in the review of operations, the Directors will continue to monitor the situation due to continuing changes in government policy and evolving business and customer reactions thereto.

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

# Life Saving Victoria Limited

ACN: 102 927 364

## Directors' Report

30 June 2020

### 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.

### Likely developments

LSV will continue the Principal Activities

### Information on directors

#### Paul James ASM

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

Occupation Area Manager – Ambulance Victoria

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

Previous employment has included State Manager for Laerdal Pty Ltd, Programs Manager for the RLSSA Victoria Branch and as a Military Policemen. Paul has contributed as a member of RAV's Medical Standards Committee, has been a National Councillor on the Australian Resuscitation Committee and held numerous national directorships for The Royal Life Saving Society Australia. Paul has been actively involved in lifesaving with several clubs including Hampton SLSC for over forty years and is still a patrolling member and Life Member. He has been Club President on two occasions. Paul was awarded a 125th Certificate of Merit by Prince Michael in recognition of his contributions to life saving.

Appointed November 2018

Special Responsibilities LSV President and Board Chair

#### Darren McLeod ESM

(Term completed November 2019)

Occupation Business Manager

Experience Darren is the Managing Director of a SME in the electronics industry of which he has been part 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 Honours and Awards Committee.

Appointed April 2013

Special Responsibilities Director Lifesaving Services

# Life Saving Victoria Limited

ACN: 102 927 364

## Directors' Report

30 June 2020

### Information on directors (continued)

#### David Rylance

Occupation Firefighter

Experience David is an Acting Station Officer with Fire Rescue Victoria (previously the Metropolitan Fire Brigade (MFB)) and has been a fire fighter for the past twelve years. David has coordinated and facilitated specialist courses for the MFB and is the Chief Remote Pilot and Chief Instructor for FRV's Remotely Piloted Aircraft Systems Program. Prior to this he worked for Bravis Climate Systems as a Research and Development Technician for over 11 years. David currently is a member of the SLSA Education Advisory Committee. He is a Life Member of Elwood LSC and a member of Williamstown S&LSC

Appointed November 2013

Special Responsibilities Director Training and Assessment

#### Georgie Wettenhall

Occupation Director – Design Flow Consulting.

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

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

Appointed November 2018

Special Responsibilities Director Council of Lifesaving Clubs

#### Vincent Sheehan

Qualifications BEc FCA

Occupation Chartered Accountant

Experience Vincent is a Partner with Ernst & Young in Assurance, where he specialises in providing financial accounting advice to a broad range of public and private sector clients. He is a Fellow of the Institute of Chartered Accountants in Australia. Vincent is an active patrolling member and Nipper parent at both Lorne Surf Life Saving Club and Sandridge Life Saving Club, 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

Special Responsibilities Independent Director and member of Finance, Risk and Audit Committee and Governance Committee

# Life Saving Victoria Limited

ACN: 102 927 364

## Directors' Report 30 June 2020

### Information on directors (continued)

<b>Peter Williams</b>	(Term completed November 2019)
Qualifications	M.Sc, BEng (Mech), Dip Mech Eng.
Occupation	Business Consultant
Experience	Peter is a former executive manager with VicRoads and now provides consulting assistance in the international development and roads management sectors. His background is in environmental engineering having worked in the electricity industry and then as a consulting environmental engineer before moving into international project management. Peter was a Director of Anglesea SLSC from 1995 to 2000 and President from 2000 to 2006 and from 2011 to 2014. From 2001 until 2014 Peter was a Trustee of the Anglesea SLSC Foundation and is currently Chair of the Project Control Group overseeing the club's redevelopment. He is a Life Member of Anglesea SLSC.
Appointed	April 2013
Special Responsibilities	Director Council of Lifesaving Clubs and member of the Governance Committee
<b>Rachael Rylance</b>	
Occupation	Senior Manager
Experience	Rachael is the Senior Manager – Business Transactions at AIA Australia Ltd. She has held various Finance roles over the last 20-years. Her expertise is in developing and improving processes with experience in enterprise projects. Rachael has been a member of Elwood LSC since 2006, an active volunteer lifesaver since 2010 and continues to patrol. Rachael is the current Secretary of Elwood Life Saving Club, as well as being involved in all aspects of sport at her club. She has also held several state positions including team manager for the IRB and Pool State teams and Pool Panel Coordinator.
Appointed	August 2015
Special Responsibilities	Director Aquatic Sports
<b>Angela Malan</b>	
Qualifications	BBus
Occupation	Education Support
Experience	Angela has been actively involved at Inverloch Surf Life Saving Club since 2005, is a current patrolling member and in 2018 was appointed a Life Member. She was Junior Coordinator from 2006-2011 and Club President from 2011-2016. Angela is the current Secretary at Inverloch SLSC. Angela has held positions at a state level on the Membership and Leadership Development Executive for the past 10 years and represents LSV on the SLSA Development Advisory Committee and EMV Volunteer Consultative Forum. Outside of lifesaving Angela works in Education support.
Appointed	August 2015
Special Responsibilities	Director Membership & Leadership Development

# Life Saving Victoria Limited

ACN: 102 927 364

## Directors' Report

30 June 2020

### Information on directors (continued)

<b>Liz Tesone</b>	(Resigned August 2019)
Qualifications	B.Ed
Occupation	Aquatic Specialist
Experience	In her role as YMCA Victoria's Aquatic Specialist until August 2019, Liz was responsible for all State and National aquatics programs and strategic relationship management with key peak bodies and sporting organisations. She also led the YMCA's aquatic program development across Asia Pacific, which has a focus on water safety and drowning prevention. With more than 20 years' industry experience and a passion for drowning prevention, Liz sits on numerous committees across various water safety agencies and within the aquatics industry.
Appointed	February 2018
Special Responsibilities	Director - Aquatic Education & Industry Engagement Council
<b>Shane Dunne</b>	
Qualifications	MBA
Occupation	CEO
Experience	Shane is the CEO of Aligned Leisure and General Manager with the Richmond Football Club where he leads the club's education and community leisure business pursuits. He has worked in senior roles in the sport and leisure industry for 17 years. Shane also undertook planning and management roles at the London 2012 Olympic and Paralympic Games. Shane holds a Board appointed position as Chair of the LSV Finance, Risk and Audit Committee.
Appointed	February 2018
Special Responsibilities	Independent Director and Chair of the Finance Risk and Audit Committee
<b>Susan Wolff</b>	
Qualifications	B.Comm, CPA
Occupation	Chief Operating Officer
Experience	Susan is the Chief Operating Officer of a Trustee company and is an experienced CFO and Governance Manager with a career spanning 25 years working in the financial services industry. Susan has been actively involved in the development and implementation of compliance, governance and risk frameworks across Trustee, funds management and advice businesses. Susan is a Fellow of the Governance Institute of Australia and a Nipper parent and former Treasurer of the Altona Life Saving Club. Susan has been a member of the Governance Committee since April 2017.
Appointed	May 2018
Special Responsibilities	Independent Director

# Life Saving Victoria Limited

ACN: 102 927 364

## Directors' Report

30 June 2020

### Information on directors (continued)

#### Adam Alsbury

Qualifications	B.Bus, MBA, FAMI (CPM), FAICD
Occupation	Executive Manager
Experience	Adam is the Chief Strategy & Marketing Officer of a customer owned bank – a position he has held for the past 15 years. He has over 20 years of active service at Woolamai Beach SLSC, during which time he held the positions of Vice President, Chief Instructor and Patrol Captain, while also working as a professional lifeguard. Adam is a member of Mornington LSC where his children participate in Nippers and for 2.5 years was a member of LSV's Finance, Risk and Audit Committee. Adam completed his Master of Business Administration at Melbourne Business School and is a Fellow of the Australian Marketing Institute and the Australian Institute of Company Directors.
Appointed	November 2019
Special Responsibilities	Director of Lifesaving Clubs

#### Kane Treloar

Occupation	Police Officer
Experience	Kane is a member of Victoria Police and has been for eight years; he holds the rank of Detective Senior Constable and is currently posted to a metropolitan Crime Investigation Unit. His experience as a police member spans general duties policing, including deployment to emergency management events such as the Victorian bushfires. He currently works investigating crimes primarily in the indictable stream and is a graduate of the Victoria Police Detective Training School. Kane also undertakes work in risk consultancy for risk facilitator, where he provides advice around risk, safety and crisis management to clients in both the public and private sector. A key focus of Kane's work has been in and around more high-risk aspects in film and television production both in Australia and overseas. Kane is a long-time member of the Williamstown Swimming and Lifesaving Club, and a former Secretary and long-time board member. He still competes for Williamstown in IRB racing, and is part of the current world champion team; he is a former Australian IRB Champion. He spent ten years with LSV as a professional lifeguard, and also remains an active crew member on the Westpac Lifesaver Rescue Helicopter.
Appointed	November 2019
Special Responsibilities	Director of Lifesaving Services

# Life Saving Victoria Limited

ACN: 102 927 364

## Directors' Report

30 June 2020

### Information on directors (continued)

#### Anthony Neal

Occupation	Director Recreation and Waterways
Qualifications	Grad Dip Ed, GAICD
Experience	Anthony is Director of Recreation and Waterways and part of the senior leadership team at the City of Melbourne. He leads a team that provides strategic advice to regarding policy, planning and project development relating to recreation and waterways infrastructure projects and services. He has extensive experience in leading and driving social enterprises across multiple industries including Aquatics, Recreation, Camping and Disability Services across Australia and Asia Pacific.
Appointed	September 2020
Special Responsibilities	Director – Aquatic Education and Industry Engagement Council

### Committee Memberships

At 30 June 2020 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 until November 2019)
- Shane Dunne (Chair from November 2019)
- Dean Sibun\* (part)
- Simone Bohan\*
- Donna Watt\*
- Adam Alsbury (Resigned November 2019)
- Emma Olivier\*
- Ashley Wolff (Part)\*

#### Governance Committee

- David Shultz
- Susan Wolff (Chair)
- Peter Williams (Part)
- Tom Mollenkopf (Part)
- Alexandra Moule\*
- Vincent Sheehan (Part)

#### Honours and Awards Committee

- Darren McLeod (Chair until November 2019)
- Georgie Wettenhall (Chair from November 2019)
- Michael Martin AM\*
- Andrew Barnes\*
- Dianne Montalto ESM\*
- Ann-Maree Gardiner\*
- David Stogdale\*
- Warren Clark\*

\* Non-Director

# Life Saving Victoria Limited

ACN: 102 927 364

## Directors' Report

30 June 2020

### Meetings of Directors

During the financial year, 14 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

Directors' Meetings		
	Number eligible to attend	Number attended
Paul James	14	14
Darren McLeod	3	3
David Rylance	14	14
Georgie Wettenhall	14	14
Vincent Sheehan	14	14
Peter Williams	3	2
Rachael Rylance	14	14
Angela Malan	14	13
Liz Tesone	1	1
Susan Wolff	14	13
Shane Dunne	14	14
Adam Alsbury	11	9
Kane Treloar	11	7

### Indemnification and insurance of officers and auditors

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

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

### Proceedings on behalf of company

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

# Life Saving Victoria Limited

ACN: 102 927 364

## Directors' Report

30 June 2020

### Auditor's independence declaration

The lead auditor's independence declaration in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, for the year ended 30 June 2020 has been received and can be found on page 11 of the financial report.

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



Director: .....

Paul James  
President



Director: .....

Shane Dunne  
Director

Melbourne.

Dated this 30th day of October 2020

## AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF LIFE SAVING VICTORIA LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there have been:

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

*ShineWing Australia*

**ShineWing Australia**  
Chartered Accountants

*Hayley Underwood*

Hayley Underwood  
Partner

Melbourne, 30 October 2020

**Brisbane**  
Level 14  
12 Creek Street  
Brisbane QLD 4000  
T + 61 7 3085 0888

**Melbourne**  
Level 10  
530 Collins Street  
Melbourne VIC 3000  
T + 61 3 8635 1800  
F + 61 3 8102 3400

**Sydney**  
Level 8  
167 Macquarie Street  
Sydney NSW 2000  
T + 61 2 8059 6800  
F + 61 2 8059 6899



# Life Saving Victoria Limited

ACN: 102 927 364

## Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
<b>Income</b>			
Grants	2(a)	9,295,951	9,629,462
Social enterprise	2(a)	6,540,327	6,460,665
Sponsorship	2(a)	1,753,675	1,721,179
Other income	2(e)	1,688,260	1,535,952
<b>Total income</b>		<b>19,278,213</b>	19,347,258
<b>Expenses</b>			
Employee benefits expense		(10,679,377)	(9,430,861)
Operational expenses		(4,538,305)	(6,581,809)
Administrative expenses		(1,786,680)	(1,645,648)
Depreciation and amortisation expense		(1,631,266)	(624,018)
Other expenses		(759,518)	(655,068)
<b>Total expenses</b>		<b>(19,395,146)</b>	(18,937,404)
<b>(Deficit)/Surplus for the year</b>		<b>(116,933)</b>	409,854
<b>Total comprehensive (loss)/income for the year</b>		<b>(116,933)</b>	409,854

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 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	5,551,543	3,923,612
Trade and other receivables	4	811,643	1,748,833
Contract asset	5	25,474	-
Inventories		335,803	177,018
Financial assets	6	5,791,377	14,124,092
Prepayments		62,036	77,377
<b>TOTAL CURRENT ASSETS</b>		<b>12,577,876</b>	<b>20,050,932</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	4,310,820	4,492,083
Right-of-use assets	8	2,269,429	-
Intangible assets	9	83,090	730
<b>TOTAL NON-CURRENT ASSETS</b>		<b>6,663,339</b>	<b>4,492,813</b>
<b>TOTAL ASSETS</b>		<b>19,241,215</b>	<b>24,543,745</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	1,206,594	1,126,811
Lease liabilities	11	922,857	-
Financial liabilities	12	4,407,679	12,049,716
Income in advance	13	-	1,708,959
Contract liabilities	14	1,858,865	-
Provisions	15	1,224,496	1,040,243
<b>TOTAL CURRENT LIABILITIES</b>		<b>9,620,491</b>	<b>15,925,729</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	11	1,410,986	-
Provisions	15	60,487	53,468
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,471,473</b>	<b>53,468</b>
<b>TOTAL LIABILITIES</b>		<b>11,091,964</b>	<b>15,979,197</b>
<b>NET ASSETS</b>		<b>8,149,251</b>	<b>8,564,548</b>
<b>EQUITY</b>			
Retained surplus		8,149,251	8,564,548
<b>TOTAL EQUITY</b>		<b>8,149,251</b>	<b>8,564,548</b>

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 2020

	Retained Earnings	Total
Note	\$	\$
<b>Balance at 30 June 2018</b>	<b>8,154,694</b>	<b>8,154,694</b>
Surplus for the year	409,854	409,854
<b>Balance at 30 June 2019</b>	<b>8,564,548</b>	<b>8,564,548</b>
Cumulative adjustment upon adoption of new revenue standards (AASB 15 and AASB 1058)	(298,364)	(298,364)
<b>Balance at 1 July 2019 restated</b>	<b>8,266,184</b>	<b>8,266,184</b>
Surplus for the year	(116,933)	(116,933)
<b>Balance at 30 June 2020</b>	<b>8,149,251</b>	<b>8,149,251</b>

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 2020

	2020	2019
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from sponsors, donors and customers	20,978,239	17,868,604
Cash received from JobKeeper	673,033	-
Cash paid to suppliers and employees	(27,045,448)	(22,069,622)
Interest received	213,412	524,469
Net cash provided used in operating activities	17 <u>(5,180,764)</u>	<u>(3,676,549)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds on disposal of property, plant and equipment	156,000	388,191
Purchase of property, plant and equipment	(637,599)	(1,401,434)
Purchase of intangible assets	(92,953)	-
Receipt from redemption	8,332,715	2,548,481
Net cash provided by investing activities	<u>7,758,163</u>	<u>1,535,238</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of lease liabilities	<u>(949,468)</u>	-
Net cash used in financing activities	<u>(949,468)</u>	-
Net increase/(decrease) in cash and cash equivalents held	1,627,931	(2,141,311)
Cash and cash equivalents at beginning of financial year	3,923,612	6,064,923
Cash and cash equivalents at end of financial year	3 <u>5,551,543</u>	<u>3,923,612</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 2020

The financial statements cover Life Saving Victoria Limited as an individual entity, incorporated and domiciled in Australia. Life Saving Victoria Limited is a not-for-profit limited is a company limited by guarantee.

The financial statements were authorised for issue by the Directors on the same date as the Director's report.

### 1 Summary of Significant Accounting Policies

#### Basis of preparation

These general purpose financial statements have been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

#### Accounting policies

##### (a) Revenue

##### Revenue recognition

The Entity has applied AASB 15: *Revenue from Contracts with Customers* (AASB 15) and AASB 1058: *Income of Not-for-Profit Entities* (AASB 1058) using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: *Revenue* and AASB 1004: *Contributions*. The details of accounting policies under AASB 118 and AASB 1004 are disclosed separately since they are different from those under AASB 15 and AASB 1058, and the impact of changes is disclosed in Note 1(q).

Revenue is recognised in accordance with the following five-step process:

1. Identifying the contract with the customer.
2. Identifying the performance obligations in the contract.
3. Determining the transaction price.
4. Allocating the transaction price to the performance obligations in the contract.
5. Recognising revenue as and when the performance obligations are satisfied.

Revenue is recognised either at a point in time or over time, when (or as) Entity satisfies performance obligations by transferring the promised goods or services to its customers.

Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability (Note 14). Where the performance obligations is satisfied but not yet billed, a contract asset is recorded (Note 5)

The impact of applying AASB 15 *Revenue from Contracts with Customers* is disclosed in note 1(q).

# Life Saving Victoria Limited

ACN: 102 927 364

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 1 Summary of Significant Accounting Policies (continued)

#### (a) Revenue (continued)

##### In the current year

###### *Contributed Assets*

The entity receives assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable accounting standards (e.g. AASB 9, AASB 16, AASB 116 and AASB 138).

On initial recognition of an asset, the Entity recognises related amounts being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer.

The Entity recognises income immediately in profit or loss as the difference between initial carrying amount of the asset and the related amounts.

###### *Operating grants, donations and bequests*

When the entity receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15,

When both these conditions are satisfied, the Entity:

- identifies each performance obligation relating to the grant
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Entity:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (e.g. AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer)
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Entity recognises income in profit or loss when or as it satisfies its obligations under the contract.

###### *Capital grant*

When the Entity receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The Entity recognises income in profit or loss when or as the Entity satisfies its obligations under terms of the grant.

###### *Interest income*

Interest income is recognised using the effective interest method.

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

# Life Saving Victoria Limited

ACN: 102 927 364

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 1 Summary of Significant Accounting Policies (continued)

#### (a) Revenue (continued)

##### In the comparative period

###### *Grant income*

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

###### *Other income*

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

###### *Interest revenue*

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

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

#### (b) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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

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

#### (c) Income tax

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

#### (d) Employee benefits

##### Short-term employee benefits

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

# Life Saving Victoria Limited

ACN: 102 927 364

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 1 Summary of Significant Accounting Policies (continued)

#### (d) Employee benefits (continued)

##### Other long-term employee benefits

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

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

#### (e) Property, plant and equipment

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

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

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

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

##### Depreciation

The depreciable amount of fixed assets are depreciated commencing from the time the asset is held ready for use.

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

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

# Life Saving Victoria Limited

ACN: 102 927 364

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 1 Summary of Significant Accounting Policies (continued)

#### (e) Property, plant and equipment (continued)

##### Depreciation (continued)

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

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

The depreciation rates have remained consistent from prior periods.

##### Leasehold improvements

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

#### (f) Inventories

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

#### (g) Leases

##### In the current period

At inception of a contract, the Entity assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Entity where the Entity is a lessee. However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expenses on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Entity uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

# Life Saving Victoria Limited

ACN: 102 927 364

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 1 Summary of Significant Accounting Policies (continued)

#### (g) Leases (continued)

##### In the current period (continued)

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Entity remeasures the lease liability (and makes corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- The lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification

The Entity did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Entity expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Entity applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy (as outlined in the financial report for the annual reporting period).

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss.

As a practical expedient, AASB 16 Leases permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Entity has not used this practical expedient. For a contract that contains a lease component and one or more additional lease or non-lease components, the Entity allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

# Life Saving Victoria Limited

ACN: 102 927 364

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 1 Summary of Significant Accounting Policies (continued)

#### (g) Leases (continued)

##### Concessionary Leases

For leases that have significantly below-market terms and conditions principally to enable the Entity to further its objectives (commonly known as peppercorn/concessionary leases), the Entity has adopted the temporary relief under AASB 2018-8 and measures the right of use assets at cost on initial recognition.

##### In the comparative period

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

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

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

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

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

#### (h) Cash and cash equivalents

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

#### (i) Financial instruments

##### *Financial liabilities*

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

# Life Saving Victoria Limited

ACN: 102 927 364

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 1 Summary of Significant Accounting Policies (continued)

#### (i) Financial instruments (continued)

##### *Financial liabilities (continued)*

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

##### *Financial assets*

Financial assets are subsequently measured at:

- amortised cost;
  - fair value through other comprehensive income; or
  - fair value through profit or loss.
- Measurement is on the basis of two primary criteria:
- the contractual cash flow characteristics of the financial asset; and
  - the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

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

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Company initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;

# Life Saving Victoria Limited

ACN: 102 927 364

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 1 Summary of Significant Accounting Policies (continued)

#### (i) Financial instruments (continued)

##### *Financial assets (continued)*

- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a Company of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

#### **Derecognition**

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

##### *Derecognition of financial liabilities*

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which the Company elected to classify under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

#### **Impairment of financial assets**

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

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

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

# Life Saving Victoria Limited

ACN: 102 927 364

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 1 Summary of Significant Accounting Policies (continued)

#### (i) Financial instruments (continued)

##### Impairment of financial assets (continued)

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

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

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

#### (j) Impairment

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

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

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

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

#### (k) Accounts receivable and other debtors

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

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

#### (l) Accounts payable and other payable

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

# Life Saving Victoria Limited

ACN: 102 927 364

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 1 Summary of Significant Accounting Policies (continued)

#### (m) Intangible assets

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

Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to LSV.

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

#### (n) Provisions

Provisions are recognised when the Entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

#### (o) Comparative figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year. When the Entity retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period, in addition to the minimum comparative financial statements, must be disclosed.

#### (p) Critical accounting estimates and judgments

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Entity.

#### Key estimates

##### *Estimation of useful lives of assets*

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

##### *Performance obligations under AASB 15*

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

##### *Lease term and option to extend under AASB 16*

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The decision on whether or not the options to extend are reasonably going to be exercised is a key management judgement that the Entity will make. The Entity determines the likeliness to exercise on a lease-by-lease basis, looking at various factors such as which assets are strategic and which are key to the future strategy of the Entity.

# Life Saving Victoria Limited

ACN: 102 927 364

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 1 Summary of Significant Accounting Policies (continued)

#### (p) Critical accounting estimates and judgments (continued)

##### Key judgements

###### *Employee benefits provision*

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

#### (q) New and amended accounting policies adopted

##### Initial adoption of AASB 16 Leases

The Entity has adopted AASB 16: *Leases* retrospectively with the cumulative effect of initially applying AASB 16 recognised at 1 July 2019. In accordance with AASB 16, the comparatives for the 2019 reporting period have not been restated.

The Entity has recognised a lease liability and right-of-use asset for all leases (with the exception of short-term and low-value leases) recognised as operating leases under AASB 117: *Leases* where the Entity is the lessee.

The lease liabilities are measured at the present value of the remaining lease payments. The Entity's incremental borrowing rate as at 1 July 2019 was used to discount the lease payments.

The right-of-use asset was measured at its carrying amount as if AASB 16 had been applied since the commencement date, but discounted using the Entity's incremental borrowing rate per lease term as at 1 July 2019.

The following practical expedients have been used by the Entity in applying AASB 16 for the first time:

- leases that have a remaining lease term of less than 12 months as at 1 January 2019 have been accounted for in the same way as short-term leases;
- applying AASB 16 to leases previously identified as leases under AASB 117 and Interpretation 4: Determining whether an arrangement contains a lease without reassessing whether they are, or contain, a lease at the date of initial application; and
- not applying AASB 16 to leases previously not identified as containing a lease under AASB 117 and Interpretation 4.

# Life Saving Victoria Limited

ACN: 102 927 364

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 1 Summary of Significant Accounting Policies (continued)

#### (q) New and amended accounting policies adopted (continued)

##### Initial adoption of AASB 16 Leases (continued)

The following table shows the operating lease commitments disclosed in applying AASB 117 Leases at 30 June 2019, discounted using the incremental borrowing rate at the date of initial application of the lease liabilities recognised in the balance sheet at the date of initial application.

	2020
	\$
<b>Gross operating lease commitments at 30 June 2019</b>	<b>165,167</b>
Less short-term leases	<b>(11,058)</b>
Less the effect of discounting the lease commitments at 30 June 2019	<b>(172,221)</b>
Add adjustments as a result of different treatment of extension and termination options	<b>245,856</b>
Add leases recognised under AASB 16	<b>2,935,408</b>
	<hr/> <b>3,163,152</b>
<b>Lease liabilities recognised at 1 July 2019</b>	<b>3,163,152</b>

##### Initial application of AASB 15 and AASB 1058

The Entity has applied AASB 15: Revenue from Contracts with Customers and AASB 1058: Income of Not-for-Profit Entities using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: Revenue and AASB 1004: Contributions.

The Entity has elected to apply AASB 1058 retrospectively only to contracts that are not completed contracts at the date of initial application. The adjustment to opening retained surplus on 1 July 2019 was a decrease of \$298,364 with a corresponding increase in contract liabilities. A classification change occurred which resulted in the deferred income now being classified as contract liability in line with wording used in AASB 15. The table below provides details of the significant changes and quantitative impact of these changes on initial date of application 1 July 2019.

##### Statement of financial position

	As presented on 30 June 2019	Application impact of AASB 15 and AASB 1058	As at 1 July 2019
	\$	\$	\$
<b>Current assets</b>			
Trade and other receivables (accrued income)	88,649	(88,649)	-
Contract asset	-	88,649	88,649
	<hr/> <b>88,649</b>	<hr/> <b>-</b>	<hr/> <b>88,649</b>
<b>Current liabilities</b>			
Income in advance	1,708,959	1,708,959	-
Contract liability		(1,708,959)	1,708,959
	<hr/> <b>1,708,959</b>	<hr/> <b>-</b>	<hr/> <b>1,708,959</b>
<b>Equity</b>			
Retained surplus	8,564,548	(298,364)	8,266,184
	<hr/> <b>8,564,548</b>	<hr/> <b>(298,364)</b>	<hr/> <b>8,266,184</b>

# Life Saving Victoria Limited

ACN: 102 927 364

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 1 Summary of Significant Accounting Policies (continued)

#### (q) New and amended accounting policies adopted (continued)

##### Initial application of AASB 15 and AASB 1058

##### Statement of profit or loss and other comprehensive income

	As presented under previous accounting standard	Application impact of AASB 15 and AASB 1058	As presented as
	\$	\$	\$
Revenue	20,662,456	1,384,243	19,278,213

#### (r) New accounting standards for application in future periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Entity. The Entity has decided not to early adopt any of these new and amended pronouncements. These new and amended pronouncements are considered to have a limited impact on the Entity's reporting.

- AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business.*
- AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material*
- AASB 2019-1 *Amendments to Australian Accounting Standards – References to the Conceptual Framework.*
- AASB 2019-3 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform.*
- AASB 2019-5 *Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia.*
- AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*
- AASB 2020-2 *Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities.*
- AASB 2020-3: *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments.*

# Life Saving Victoria Limited

ACN: 102 927 364

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 2 Revenue

#### (a) Disaggregation of revenue

	Government Bodies	Non-Government organisations	Total
	\$	\$	\$
Grants	9,166,785	129,166	9,295,951
Social enterprise	610,744	5,929,583	6,540,327
Sponsorship	-	1,753,675	1,753,675
<b>Total</b>	<b>9,777,529</b>	<b>7,812,424</b>	<b>17,589,953</b>
<b>Timing of revenue recognition:</b>			
Goods transferred at a point in time	610,744	5,929,583	6,540,327
Goods/services transferred over time	9,166,785	1,882,841	11,049,626
<b>Total</b>	<b>9,777,529</b>	<b>7,812,424</b>	<b>17,589,953</b>

#### (b) Transaction price allocated to remaining performance obligations

The table below shows grant revenue expected to be recognised in the future related to performance obligations that are unsatisfied at the reporting date. It is expected that all performance obligations will be completed in the 2021 financial year, unless the pandemic restrictions continue.

	2021	2022	Total
	\$	\$	\$
<b>Types of obligation</b>			
<b>Grants income</b>	<b>1,645,015</b>	-	<b>1,645,015</b>

#### (c) Details regarding performance obligations

Particulars	Grants	Social enterprise	Sponsorship
Nature of goods or services involved	Grants received from Federal, State and local government, and philanthropic institutions to deliver programs and services to the community regarding all facets of Water Safety.	Training, consulting, program delivery and sales of water safety equipment to organisations and individuals.	Sponsorship through SLSA from Australia wide sponsors to support Helicopter operations, clubs and other lifesaving activities.
Satisfaction of performance obligations	Performance obligations are satisfied when services are rendered and/or programs delivered.	Performance obligations are satisfied at a point in time when the good or service is delivered.	Performance obligations are satisfied when services are rendered and deliverables are met.
Other obligations	Refund clause.	Refund clause.	No other obligations.

#### (d) Income accounted for under AASB 1058 *Income of Not-for-Profit-Entities*

	2020	2019
	\$	\$
Donations	102,231	167,249
<b>(e) Other income</b>		
Interest income	213,412	524,469
SLSF distribution	208,784	466,323
Donations	102,321	167,249
Cash flow boost	50,000	-
JobKeeper income	1,052,533	-
Other income	61,210	377,921
	<b>1,688,260</b>	<b>1,535,952</b>

# Life Saving Victoria Limited

ACN: 102 927 364

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 3 Cash and Cash Equivalents

	2020	2019
Note	\$	\$
Operating bank accounts	5,550,247	3,920,488
Cash on hand	1,296	3,124
	<u>5,551,543</u>	<u>3,923,612</u>

### 4 Trade and Other Receivables

#### CURRENT

Trade receivables	421,272	1,655,397
Provision for doubtful debts	(10,042)	(8,875)
	<u>411,230</u>	<u>1,646,522</u>
Accrued income	-	88,649
Accrued JobKeeper	379,500	-
Other receivables	20,913	13,662
	<u>811,643</u>	<u>1,748,833</u>

#### (a) Provision for Doubtful Debts

Balance beginning of the year	8,875	27,547
Charge for the year	5,300	11,865
Amounts written off	(4,133)	(30,537)
Balance at end of the year	<u>10,042</u>	<u>8,875</u>

### 5 Contract assets

#### CURRENT

Contract assets	<u>25,474</u>	-
-----------------	---------------	---

#### Movement contract assets

	2020
	\$
<b>Balance at the beginning of the year</b>	-
Reclassified from accrued income on initial application of AASB 15	88,649
Transfer to receivables	(88,649)
Amounts recognised as contract assets at balance sheet date	<u>25,474</u>
<b>Closing balance at the end of the year</b>	<u>25,474</u>

### 6 Financial Assets

#### Term Deposits

Surf Life Saving Foundation on behalf of LSV	4,320,725	11,255,715
Other bank term deposits	1,470,652	2,868,377
	<u>5,791,377</u>	<u>14,124,092</u>

# Life Saving Victoria Limited

ACN: 102 927 364

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 6 Financial Assets (continued)

#### (a) Restrictions on cash and financial assets

	2020	2019
	\$	\$
Funds held in trust for clubs	4,407,679	12,049,715
Conditions on grants received	1,383,698	1,487,795
Conditions on grants recognised as revenue	-	805,042
	<u>5,791,377</u>	<u>14,342,552</u>

### 7 Property, plant and equipment

#### Furniture and equipment

At cost	499,840	485,762
Less: Accumulated depreciation	(380,617)	(308,227)
Total furniture and equipment	<u>119,223</u>	<u>177,535</u>

#### Motor vehicles

At cost	1,875,886	1,816,658
Less: Accumulated depreciation	(491,807)	(343,357)
Total motor vehicles	<u>1,384,079</u>	<u>1,473,301</u>

#### Computer and office equipment

At cost	634,785	566,828
Less: Accumulated depreciation	(566,435)	(497,729)
Total computer and office equipment	<u>68,350</u>	<u>69,099</u>

#### Leasehold improvements

At cost	6,962,880	6,788,333
Less: Accumulated amortisation	(4,223,712)	(4,016,185)
Total leasehold improvements	<u>2,739,168</u>	<u>2,772,148</u>

#### Total property, plant and equipment

	<u>4,310,820</u>	<u>4,492,083</u>
--	------------------	------------------

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

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

	Furniture and equipment	Motor vehicles	Computer and office equipment	Leasehold improvements	Total
	\$	\$	\$	\$	\$
<b>Year ended 30 June 2019</b>					
Balance at the beginning of year	30,484	1,147,642	51,871	2,814,276	4,044,273
Additions	193,998	971,583	89,790	146,063	1,401,434
Disposals	-	(704,428)	-	-	(704,428)
Depreciation	(46,947)	(294,781)	(72,562)	(188,191)	(602,481)
Depreciation write back	-	353,285	-	-	353,285
<b>Balance at the end of the year</b>	<u>177,535</u>	<u>1,473,301</u>	<u>69,099</u>	<u>2,772,148</u>	<u>4,492,083</u>

# Life Saving Victoria Limited

ACN: 102 927 364

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 7 Property, plant and equipment (continued)

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

	Furniture and equipment	Motor vehicles	Computer and office equipment	Leasehold improvements	Total
	\$	\$	\$	\$	\$
<b>Year ended 30 June 2020</b>					
Balance at the beginning of year	177,535	1,473,301	69,099	2,772,148	4,492,083
Additions	14,079	516,716	67,957	174,547	773,299
Disposals	-	(264,973)	-	-	(264,973)
Depreciation	(72,391)	(340,965)	(68,706)	(207,527)	(689,589)
<b>Balance at the end of the year</b>	<b>119,223</b>	<b>1,384,079</b>	<b>68,350</b>	<b>2,739,168</b>	<b>4,310,820</b>

### 8 Right-of-use Asset

	2020	2019
	\$	\$
Leased building	373,780	-
Accumulated depreciation	(67,858)	-
	<u>305,922</u>	-
Leased equipment	2,828,028	-
Accumulated depreciation	(864,521)	-
	<u>1,963,507</u>	-
	<u>2,269,429</u>	-

#### Movement in carrying amounts:

	Leased building	Leased equipment	Total
	\$	\$	\$
Recognised on initial application of AASB 16 (previously classified as operating leases under AASB 117)	365,182	2,797,970	3,163,152
Additions	8,598	30,058	38,656
Depreciation expense	(67,858)	(864,521)	(932,379)
Net carrying amount	<u>305,922</u>	<u>1,963,507</u>	<u>2,269,429</u>

The Entity's lease portfolio includes equipment and buildings. These leases have an average remaining lease term of 5.8 years. The Entity has not entered into any new leases post 30 June 2020. The Entity does not have any leases which contain variable lease payment.

#### Concessionary lease

Life Saving Victoria leases the land for its headquarters at Port Melbourne under a 21 year crown lease which commenced on 1 June 2017. The annual lease payment is \$100 per annum (+GST) payable in advance. The permitted use of this site is for the Head Office of Life Saving Victoria (as the recognised State Centre of Surf Life Saving Australia). The lease is measured in accordance with the accounting policies as outlined in Note 1 (g). The concessionary lease provides a significant reduction in administration expenses and the savings allow Life Saving Victoria to further achieve its mission and vision.

# Life Saving Victoria Limited

ACN: 102 927 364

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 8 Right-of-use Asset (continued)

AASB 16 related amounts recognised in the statement of profit or loss and other comprehensive income

	2020	2019
	\$	\$
Depreciation charge related to right-of-use assets	932,379	-
Interest expense on lease liabilities (under finance cost)	81,503	-
Short-term leases expense	11,058	-
<b>Total</b>	<b>1,024,940</b>	<b>-</b>

### 9 Intangible Assets

#### IT systems development

Cost	367,491	274,537
Less: Accumulated amortisation	(284,401)	(273,807)
<b>Total IT systems development</b>	<b>83,090</b>	<b>730</b>

#### (a) Movements in carrying amounts of intangible assets

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

	2020	2019
	\$	\$
Carrying amount at the beginning of the year	730	17,131
Additions	92,955	-
Less - Amortisation charge for the year	(10,595)	(16,401)
Carrying amount at end of year	<b>83,090</b>	<b>730</b>

### 10 Trade and Other Payables

#### CURRENT

Trade accounts payables	640,833	478,627
Other payables and accrued expenses	565,761	648,184
	<b>1,206,594</b>	<b>1,126,811</b>

# Life Saving Victoria Limited

ACN: 102 927 364

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 11 Lease Liability

#### Maturity analysis:

	2020
	\$
Year 1	982,922
Year 2	1,006,912
Year 3	300,864
Year 4	69,165
Year 5 and greater	64,700
<b>Less: finance cost</b>	<u>(90,720)</u>
	<u><u>2,333,843</u></u>

#### Analysed as:

Current	922,857
Non-current	1,410,986
	<u><u>2,333,843</u></u>

### 12 Financial Liabilities

	2020	2019
	\$	\$
CURRENT		
Funds held in Trust for Life Saving Clubs	<u>4,407,679</u>	<u>12,049,716</u>

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

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

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

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

### 13 Income in advance

	2020	2019
	\$	\$
CURRENT		
Grants	-	1,487,795
Other income	-	221,164
	<u>-</u>	<u>1,708,959</u>

# Life Saving Victoria Limited

ACN: 102 927 364

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 14 Contract Liabilities

	2020	2019
	\$	\$
CURRENT		
Contract liabilities	<u>1,645,015</u>	<u>-</u>

#### Movement contract liabilities

	2020
	\$
<b>Balance at the beginning of the year</b>	<u>-</u>
Reclassified from deferred income on initial application of AASB 15	1,708,959
Cash receipts received	9,295,951
Performance obligations met	<u>(9,359,895)</u>
<b>Closing balance at the end of the year</b>	<u><b>1,645,015</b></u>

If grants are enforceable and have sufficiently specific performance obligations in accordance with AASB 15, the amount received at that point in time is recognised as a contract liability until the performance obligations have been satisfied.

### 15 Employee Benefits

	2020	2019
	\$	\$
CURRENT		
Liability for annual leave	678,979	630,107
Liability for long service leave	545,517	410,136
	<u>1,224,496</u>	<u>1,040,243</u>
NON-CURRENT		
Liability for long service leave	<u>60,487</u>	<u>53,468</u>
Total provisions	<u>1,284,983</u>	<u>1,093,711</u>

#### (a) Movement in employee provisions

Balance at the beginning of the year	1,093,711	964,112
Additional provisions	711,800	647,921
Amounts used	<u>(520,528)</u>	<u>(518,322)</u>
<b>Balance at the end of the year</b>	<u><b>1,284,983</b></u>	<u><b>1,093,711</b></u>

# Life Saving Victoria Limited

ACN: 102 927 364

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 15 Employee Benefits (continued)

#### (b) Employee benefits expense

	2020	2019
	\$	\$
Wages and salaries	9,757,728	7,526,364
Superannuation	851,821	779,490
Workers compensation	69,828	65,471
<b>Total</b>	<b>10,679,377</b>	<b>8,371,325</b>

### 16 Financial Risk Management

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

	Note	Category \$	Carrying amount 2020 \$	Carrying amount 2019 \$
<b>Financial assets</b>				
Cash and cash equivalents(i)	3	N/A	5,550,247	3,920,488
Receivables(ii)	4	Receivables (at amortised cost)	411,230	1,646,522
Financial assets	5	Financial assets measured at amortised cost	5,791,377	14,124,092
<b>Financial liabilities</b>				
Payables(iii)	10	Financial liabilities measured at amortised cost	640,883	657,941
Lease liabilities	11	Financial liabilities measured at amortised cost	338,928	-

(i) Excludes cash at hand

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

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

#### (a) Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Company's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the balance sheet.

As at the reporting date, there is no indication that the financial assets have been impaired other than as disclosed in Note 4.

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.

# Life Saving Victoria Limited

ACN: 102 927 364

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 16 Financial Risk Management (continued)

#### (a) Credit risk (continued)

##### Maturity analysis of financial assets

	Carrying amount	Not past due and not impaired	Past due but not impaired		
			Less than 1 month	1-2 Months	More than 3 months
			\$	\$	\$
<b>2020</b>					
Cash assets	5,551,543	5,551,543	-	-	-
Receivables	421,408	158,844	150,501	28,370	83,693
Financial assets	5,791,377	5,791,377	-	-	-
	<b>11,764,328</b>	<b>11,501,764</b>	<b>150,501</b>	<b>28,370</b>	<b>83,693</b>
<b>2019</b>					
Cash assets	3,923,612	3,923,612	-	-	-
Receivables	1,655,397	1,401,255	72,160	49,602	132,380
Financial assets	14,124,092	14,124,092	-	-	-
	<b>19,703,101</b>	<b>19,448,959</b>	<b>72,160</b>	<b>49,602</b>	<b>132,380</b>

#### (b) Liquidity risk

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

#### (c) Market risk

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

#### (d) Interest rate risk

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

# Life Saving Victoria Limited

ACN: 102 927 364

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 16 Financial Risk Management (continued)

#### (d) Interest rate risk (continued)

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

	Weighted average interest rate	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing
	%	\$	\$	\$	\$
<b>2020</b>					
<b>Financial assets:</b>					
Cash assets	0.41%	5,551,543	-	5,551,543	-
Financial assets	1.18%	5,791,377	5,791,377	-	-
<b>2019</b>					
<b>Financial assets:</b>					
Cash assets	1.25%	3,923,612	-	3,923,612	-
Financial assets	2.58%	14,124,092	14,124,092	-	-

#### 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).

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
<b>2020</b>					
Cash assets	5,551,543	(55,515)	(55,515)	55,515	55,515
Financial assets	5,791,377	-	-	-	-
<b>2019</b>					
Cash assets	3,923,612	(39,236)	(39,236)	39,236	39,236
Financial assets	14,124,092	-	-	-	-

# Life Saving Victoria Limited

ACN: 102 927 364

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 17 Cash Flow Information

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

	2020	2019
	\$	\$
(Deficit) / Surplus for the year	(116,933)	409,854
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation / amortisation	1,631,266	618,881
- net gain on disposal of assets	(25,431)	(37,047)
- bad debt expense	8,788	-
- jobkeeper	(379,500)	-
- interest on lease liabilities	81,503	-
Changes in assets and liabilities:		
- (increase)/decrease in receivables	1,283,695	(939,284)
- (increase)/decrease in prepayments	17,137	1,387
- (increase)/decrease in inventories	(158,785)	39,920
- increase/(decrease) in payables	(7,770,702)	(5,585,423)
- increase/(decrease) in contract liabilities/deferred income	63,944	1,685,564
- increase/(decrease) in provisions	184,254	129,599
Cash flows used from operations	<u>(5,180,764)</u>	<u>(3,676,549)</u>

### 18 Key Management Personnel Remuneration

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

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

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

	2020	2019
	\$	\$
Short-term employee benefits	1,358,662	1,148,697
Post-employment benefits	133,184	111,504
Long-term benefits	14,388	28,781
	<u>1,506,234</u>	<u>1,288,982</u>

# Life Saving Victoria Limited

ACN: 102 927 364

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 19 Related Party Transactions

#### Transactions with Director Related Entities

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

- Shane Dunne is the Chief Executive Officer of Aligned Leisure.

LSV has provided water safety related services to Aligned Leisure. The amounts invoiced to Aligned Leisure amounted to \$51,255 (2019: \$52,297). There were the following outstanding balances at the reporting dates under review; payable to Aligned Leisure \$Nil (2019: \$Nil); and receivable from Aligned Leisure \$4,839 (2019: \$715).

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

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

#### Transactions with Staff

The Company periodically offers its fleet vehicles for sale to staff (and their immediate family members) priced at the amount offered to the Company by a Licensed Motor Car Trader. During the year, 3 vehicles were sold by the company to Executives and/or staff or their immediate family 2019: 3).

### 20 Auditors' Remuneration

	2020	2019
	\$	\$
<b>Audit Services</b>		
- Auditors to the Company	28,000	28,000
- other services	3,500	3,500
<b>Total audit services</b>	<u>31,500</u>	<u>31,500</u>

### 21 Contingent Liabilities

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2020 (30 June 2019: None).

# Life Saving Victoria Limited

ACN: 102 927 364

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 22 Interest in Surf Life Saving Foundation Inc

The Surf Life Saving Rescue Fund Trust (the Trust), of which the Surf Life Saving Foundation Inc. (the Foundation) is the corporate Trustee (the Trustee), holds funds for the benefit of LSV, which may be distributed at the sole discretion of the Trustee. Accordingly, these funds are not recognised in the Statement of Financial Position. At 30 June 2020 LSV had a beneficial interest in funds within the Trust that had a market value of \$3,190,920 (30 June 2019: \$3,226,074).

LSV receives distributions from Surf Life Saving Australia of funds raised by the Foundation from fundraising activities undertaken on behalf of LSV. Distributions received in 2019-20 totalled \$208,784 (2018-19: \$466,323).

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.

### 23 Events after the end of the Reporting Period

The outbreak of COVID-19 and the subsequent quarantine measures imposed by the Australian and other governments during 2020 have caused disruption to businesses and economic activity.

The Entity considers the commencement of the Stage 4 quarantine measured imposed within Melbourne during August 2020 to be a non-adjusting post balance sheet event and accordingly the financial effects of COVID-19 have not been reflected in the Entity's financial statements at 30 June 2020.

Whilst the outbreak of COVID-19 has not had a material impact on the current year consolidated results, the directors will continue to monitor the situation due to continuing changes in government policy and evolving business and customer reactions thereto as there may be a material impact on the results of the Entity for 2021.

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

### 24 Members' Liability

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding's and obligations of the Company. At 30 June 2020 the number of members was 38,123 (2019: 35,383).

### 25 Presentational change in the Entity's Profit and Loss and Other Comprehensive Income

The directors have changed the presentation of the Entity's Profit and Loss and Other Comprehensive Income from function to nature in accordance with AASB 101 *Presentation of Financial Statements*. The directors believe this presentational change better aligns to the Entity's operations and results in more reliable and relevant information for users.

### 26 Company Details

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

Life Saving Victoria Limited  
200 The Boulevard  
Port Melbourne Victoria 3207

# Life Saving Victoria Limited

ACN: 102 927 364

## Directors' Declaration

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 15 to 45,
  - (a) comply with Australian Accounting Standards, the *Australian Charities and Not-for-profits Commission Act 2012*, and other mandatory professional reporting requirements; and
  - (b) give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

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



Director .....  
Paul James  
President



Director .....  
Shane Dunne  
Director

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF LIFE SAVING VICTORIA LIMITED

#### Opinion

We have audited the financial report of Life Saving Victoria Limited ("the Company") which comprises the statement of financial position as at 30 June 2020, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors declaration.

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

- giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance and cash flows for the year then ended; and
- complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Brisbane**  
Level 14  
12 Creek Street  
Brisbane QLD 4000  
T + 61 7 3085 0888

**Melbourne**  
Level 10  
530 Collins Street  
Melbourne VIC 3000  
T + 61 3 8635 1800  
F + 61 3 8102 3400

**Sydney**  
Level 8  
167 Macquarie Street  
Sydney NSW 2000  
T + 61 2 8059 6800  
F + 61 2 8059 6899



## Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

We identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

We conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

*ShineWing Australia*

**ShineWing Australia**  
Chartered Accountants



Hayley Underwood  
Partner

Melbourne, 30 October 2020