
FREMANTLE SURF LIFE SAVING CLUB INC
A.B.N. 34 048 412 533

FINANCIAL REPORT
FOR THE TWELVE MONTHS ENDED 31 MARCH 2020

FREMANTLE SURF LIFESAVING CLUB INC
A.B.N. 34 048 412 533

FINANCIAL REPORT

FOR THE TWELVE MONTHS ENDED 31 MARCH 2020

I N D E X

Directors report	1
Income & expenditure statement	2
Statement of financial position	3
Statement of changes in equity	4
Statement of cash flows	5
Notes to the financial statements	6 - 12
Directors statement	13

FREMANTLE SURF LIFESAVING CLUB INC
A.B.N. 34 048 412 533

DIRECTORS REPORT

Your directors submit the financial report of Fremantle Surf Lifesaving Club Inc for the twelve month period ended 31 March 2020.

Board members

The names of board members throughout the year and at the date of this report are:

Jack Dowie - President
Jon Standing - Director of Surf Sports
Jette Oksis – Director of Administration
Liam Burke – Director of Lifesaving & Education
John Skipsey – Director of Development
Tony Silipo – Director of Finance
Anne-Marie Nunes – Club Captain

Principal activities

The principal activities of the association during the financial year were to provide surf lifesaving training and services to members and the community.

Significant changes

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

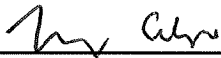
Operating result

The profit from ordinary activities amounted to \$103,997.

Signed in accordance with a resolution of the board of directors.



President



Director of Finance

Dated: 22.06.2020

Perth, Western Australia

FREMANTLE SURF LIFESAVING CLUB INC
A.B.N. 34 048 412 533

INCOME & EXPENDITURE STATEMENT
FOR THE TWELVE MONTHS ENDED 31 MARCH 2020

	Note	12 Months 2020 \$	11 Months 2019 \$
Income			
Revenue	2a	680,768	733,786
Total revenue		<u>680,768</u>	<u>733,786</u>
Expenses			
COGS – Bar, canteen, uniform shop	2a	(63,956)	(75,868)
Administration & payroll expenses		(163,795)	(167,566)
Lifesaving & Education expenses		(12,197)	(16,299)
Juniors & Youth expenses		(14,522)	(15,428)
Vehicle and equipment expenses		(19,737)	(20,081)
Competition expenses		(23,888)	(28,954)
Direct costs membership fees		(0)	(25,180)
Depreciation expenses	2b	(138,093)	(139,512)
Social & fundraising & marketing expenses		(20,776)	(23,464)
Building related expenses		(110,087)	(109,033)
Premises hire expenses		(1,941)	(5,201)
Other expenses		(7,779)	(8,910)
Total expenses		<u>(576,771)</u>	<u>(635,496)</u>
Surplus for the year		<u>103,997</u>	<u>98,290</u>

Note : Direct costs to membership fees, which represents insurance paid to SLSWA to cover our members, is recorded as nil this year. SLSWA, in response to the financial effects of COVID-19 on clubs, did not on charge this fee in 2020 in lieu of the year end donation normally paid to clubs.

The accompanying notes form part of these financial statements

FREMANTLE SURF LIFESAVING CLUB INC
A.B.N. 34 048 412 533

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	March 2020 \$	March 2019 \$
CURRENT ASSETS			
Cash & cash equivalents	3	350,583	290,411
Accounts receivables and other debtors	4	51,954	69,201
Inventories	5	66,805	82,170
TOTAL CURRENT ASSETS		<u>469,342</u>	<u>441,782</u>
NON-CURRENT ASSETS			
Property, plant & equipment	6	3,169,988	3,273,529
TOTAL NON-CURRENT ASSETS		<u>3,169,988</u>	<u>3,273,529</u>
TOTAL ASSETS		<u><u>3,639,330</u></u>	<u><u>3,715,311</u></u>
CURRENT LIABILITIES			
Accounts payable and other payables	7	26,174	62,915
Employee provisions	8	14,549	15,872
TOTAL CURRENT LIABILITIES		<u>40,723</u>	<u>78,787</u>
NON CURRENT LIABILITIES			
Other liabilities	9	1,419,139	1,561,053
TOTAL NON CURRENT LIABILITIES		<u>1,419,139</u>	<u>1,561,053</u>
TOTAL LIABILITIES		<u>1,459,862</u>	<u>1,639,840</u>
NET ASSETS		<u><u>2,179,468</u></u>	<u><u>2,075,471</u></u>
MEMBERS' FUNDS			
Retained surplus	10	2,179,468	2,075,471
TOTAL MEMBERS' FUNDS		<u><u>2,179,468</u></u>	<u><u>2,075,471</u></u>

The accompanying notes form part of these financial statements

FREMANTLE SURF LIFESAVING CLUB INC
A.B.N. 34 048 412 533

STATEMENT OF CHANGES IN EQUITY
AS AT 31 MARCH 2020

	Retained Surplus \$	Total \$
Balance at 1 May 2018	1,977,181	1,977,181
Surplus for eleven month period	98,290	98,290
	<hr/>	<hr/>
Balance at 31 March 2019	2,075,471	2,075,471
	<hr/> <hr/>	<hr/> <hr/>
Balance at 1 April 2019	2,075,471	2,075,471
Surplus for eleven month period	103,997	103,997
	<hr/>	<hr/>
Balance at 31 March 2020	2,179,468	2,179,468
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements

FREMANTLE SURF LIFESAVING CLUB INC
A.B.N. 34 048 412 533

STATEMENT OF CASH FLOWS
AS AT 31 MARCH 2020

	March 2020 \$	March 2019 \$
Cash from operating activities		
Receipts from members, sponsors and customers	551,126	530,998
Payments to suppliers and employees	(461,377)	(446,546)
Interest received	4,975	2,624
	94,724	87,076
Cash flows from investing activities		
Net purchase of plant & equipment	(34,552)	(27,163)
	(34,552)	(27,163)
Cash flows from financing activities		
Repayment of borrowings	-	(5,164)
	-	(5,164)
Net cash (decrease) in cash held	60,172	54,749
Cash at beginning of financial year	290,411	235,662
	350,583	290,411

The accompanying notes form part of these financial statements

FREMANTLE SURF LIFESAVING CLUB INC
A.B.N. 34 048 412 533

NOTES TO THE FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 31 MARCH 2020

Note 1: Statement of significant accounting policies

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act Western Australia. The board has determined that the association is not a reporting entity.

The report, except for the cash flow information, has been prepared on an accruals basis in that it accounts for debtors, creditors, employee provisions and prepaid building lease income, but has not included other accruals and prepayments in order to be consistent with year accounting treatment. The report is based on historic costs and does not take into account changing money values, or except where specifically stated, current valuations of non-current assets.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

(a) Income tax

No provision for income tax has been raised as the association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(b) Property, plant and equipment

Property

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

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of comprehensive income.

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

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the committee to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to their present values determining recovering amounts.

FREMANTLE SURF LIFESAVING CLUB INC
A.B.N. 34 048 412 533

NOTES TO THE FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 31 MARCH 2020

Note 1: Statement of significant accounting policies (continued)

Depreciation

The depreciable amount of all fixed assets, excluding land and buildings, are depreciated over the useful lives of the assets to the association commencing from the time the asset was held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease of the estimated useful lives of the improvements.

(c) Cash on hand

Cash on hand included cash on hand, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less.

(d) Accounts receivable and other debtors

Accounts receivable and other debtors includes amounts due from customers. Receivable expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivable are classified as non-current assets.

(e) Revenue and other income

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

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

If conditions are attached to the grant that must be satisfied before the association is eligible to receive the contribution, recognition of the grant as revenue will be deferred until those conditions are satisfied.

Cash receipts are recognised as income when they are deposited into the bank account

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

(f) 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 Australia 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 assets and liabilities statement.

(g) Accounts payable and other payables

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

FREMANTLE SURF LIFESAVING CLUB INC
A.B.N. 34 048 412 533

NOTES TO THE FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 31 MARCH 2020

Note 1: Statement of significant accounting policies (continued)

(h) Employee provisions

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee provisions have been measured at the amounts expected to be paid when the liability is settled

(i) Leases

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

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred

(j) Impairment of assets

At the end of each reporting period, the committee 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, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in the income and expenditure statement

(k) Inventories on hand

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

(l) Change of accounting period

It should be noted that the Club changed its financial year end to 31 March as per a resolution passed at the Annual General Meeting in June 2018. Therefore the figures to 31 March 2020 are for a twelve month period, the comparative figures for 2019 are for an eleven month period.

FREMANTLE SURF LIFESAVING CLUB INC
A.B.N. 34 048 412 533

NOTES TO THE FINANCIAL STATEMENTS
FOR THE TWELVE MONTH PERIOD ENDED 31 MARCH 2020

	12 Months	11 Months
	2020	2019
	\$	\$
Note 2a: Income		
Sales – bar, canteen & uniform shop	73,219	96,791
Membership fees	204,533	210,911
Other membership and hire fees	10,913	10,184
Donations	31,535	66,877
Education	14,983	14,636
Sponsorship	59,542	44,273
Grants received	8,830	5,000
Government Stimulus	10,000	-
Life saving services	5,118	-
Interest received	4,975	2,624
Competition	15,316	23,429
Camp fees	13,948	12,296
Club rental & hire income	23,326	36,396
Sub lease expense recoupment	29,442	43,266
Subsidies income	3,927	1,200
Social & fundraising	23,547	14,179
Prepaid building lease income	141,914	141,914
Sundry	5,700	9,990
	680,768	733,786
	680,768	733,786
 Note 2b: Expenses		
Depreciation - building	93,520	93,355
Depreciation – plant & equipment	44,573	45,863
Depreciation – Club Ute	-	294
	138,093	139,512
	138,093	139,512
	March	March
	2020	2019
	\$	\$
Note 3: Cash at bank		
Cheque account	5,336	19,991
Cash management account	157,298	107,102
Credit card account	681	306
Prime rescue account	5,153	5,153
Term deposit – Building fund	93,267	70,477
Term deposit – General reserves	88,798	86,872
Cash floats	50	510
	350,583	290,411
	350,583	290,411

FREMANTLE SURF LIFESAVING CLUB INC
A.B.N. 34 048 412 533

NOTES TO THE FINANCIAL STATEMENTS
FOR THE TWELVE MONTH PERIOD ENDED 31 MARCH 2020

	March 2020 \$	March 2019 \$
Note 4: Accounts receivables & other debtors		
Trade debtors	34,680	68,364
Government stimulus credit due	10,000	-
GST refund due	6,974	382
Prepayments	300	455
	51,954	69,201
	51,954	69,201
Note 5: Inventories		
Bar	3,212	2,219
Canteen	369	318
Training manuals	1,080	1,120
Uniform shop	62,114	78,513
	66,805	82,170
	66,805	82,170
Note 6: Property, plant & equipment		
Building at cost	3,740,822	3,740,822
Less accumulated depreciation	747,005	653,485
	2,993,817	3,087,337
	2,993,817	3,087,337
Plant & equipment at cost	692,329	684,028
Less accumulated depreciation	520,658	502,336
	171,671	181,692
	171,671	181,692
Motor vehicle at cost	34,519	34,519
Less accumulated depreciation	30,019	30,019
	4,500	4,500
	4,500	4,500
Total property, plant and equipment	3,169,988	3,273,529

FREMANTLE SURF LIFESAVING CLUB INC
A.B.N. 34 048 412 533

NOTES TO THE FINANCIAL STATEMENTS
FOR THE TWELVE MONTH PERIOD ENDED 31 MARCH 2020

Note 6: Property, plant & equipment (continued)

(a) Movements in carrying amounts

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

	Buildings	Plant & equipment	Motor vehicle	Total
	\$	\$	\$	\$
Balance at the beginning of the year	3,087,337	181,692	4,500	3,273,529
Additions	-	34,552	-	34,552
Depreciation expense	(93,520)	(44,573)	-	(138,093)
	<u>2,993,817</u>	<u>171,671</u>	<u>4,500</u>	<u>3,169,988</u>
			March	March
			2020	2019
			\$	\$

Note 7: Accounts payable and other creditors

Trade creditors	18,993	28,718
PAYGW	2,502	4,654
Superannuation payable	2,796	2,401
General accruals	1,883	27,142
	<u>26,174</u>	<u>62,915</u>

Note 8: Employee provisions

Employee leave provisions	14,549	15,872
	<u>14,549</u>	<u>15,872</u>

Note 9: Other liabilities

Building lease prepayment	2,554,451	2,554,451
Less accumulated amortisation of lease prepayment	1,135,312	993,398
	<u>1,419,139</u>	<u>1,561,053</u>

The building lease prepayment is the cost incurred by the builder at the time of construction of the new premises, this was offset by the granting of a twenty year lease entitlement on the upstairs café premises of the building. This prepayment of building lease is being amortised over eighteen years being from the time construction was completed to the end of the lease period i.e 2030.

FREMANTLE SURF LIFESAVING CLUB INC
A.B.N. 34 048 412 533

NOTES TO THE FINANCIAL STATEMENTS
FOR THE TWELVE MONTH PERIOD ENDED 31 MARCH 2020

	March 2020 \$	March 2019 \$
Note 10: Retained surplus		
Surplus at the beginning of the financial year	2,075,471	1,977,181
Current year surplus (deficit)	103,997	98,290
	<u>2,179,468</u>	<u>2,075,471</u>
Retained surplus at the end of the financial year	<u>2,179,468</u>	<u>2,075,471</u>
Note 11: Cash flow information		
Reconciliation of cash flows from operating activities with		
Net current year surplus	103,997	98,290
Non cash flows in current year surplus		
Depreciation	138,093	139,512
Amortisation of prepaid building lease	(141,914)	(141,914)
Changes in assets and liabilities		
(Increase)/ decrease in accounts receivable	17,247	(30,406)
(Increase)/decrease in inventory	15,365	19,895
Increase/ (decrease) in accounts payable	(36,741)	19,071
Increase/ (decrease) in employee provisions	(1,323)	10,472
Decrease in property plant & equipment	-	(27,844)
	<u>94,724</u>	<u>87,076</u>
Net cash flow from operating activities	<u>94,724</u>	<u>87,076</u>

FREMANTLE SURF LIFESAVING CLUB INC
A.B.N. 34 048 412 533

DIRECTORS STATEMENT

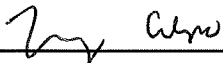
In accordance with a resolution of the board of Fremantle Surf Lifesaving Club Inc, the members of the board declare that the financial statements as set out on pages 1 to 12:

1. Present a true and fair view of the financial position of Fremantle Surf Lifesaving Club Inc as at 31 March 2020 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial report and the requirements of the Associations Incorporations Act Western Australia.
2. At the dated of this statement that are reasonable grounds to believe that Fremantle Surf Lifesaving Club Inc will be able to pay its debts as and when they fall due.

This statement is signed for and on behalf of the board by:



President



Director of Finance

Dated: 22.06.2020

Perth, Western Australia

9th June 2020

Mr M L F Hunt
22C Bates Road
Innaloo WA 6018

Re: 2019-2020 Audit

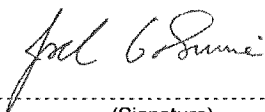
We confirm the following details in respect to the Fremantle Surf Life Saving Club Inc.'s liquor licence, operations and transactions.

Nature of Licence:	Club Restricted Licence
Name of Licensee:	Fremantle Surf Life Saving Club
Name of Approved Manager:	Michael Shaw

We further advise that during the 12 months ended 31st March 2020, to the best of our knowledge and belief, the Club has at all times observed the regulations and provisions of the Liquor Licensing Act 1988 in the operation of its licence.

Yours faithfully,

Fremantle Surf Life Saving Club Inc.



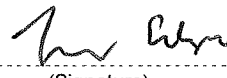
(Signature)

Jack Dowie

(Print name)

President

(Office held)



(Signature)

Tony Silpu

(Print name)

Director of Finance

(Office held)

Independent audit report to the Members of the Fremantle Surf Life Saving Club Inc.

I have audited the accompanying financial report of the Fremantle Surf Life Saving Club Inc. (the "Club"), which comprises the statement of financial position as at 31st March 2020, and the statement of comprehensive income and statement of cash flows for the twelve months then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Board of the Fremantle Surf Life Saving Club Inc. assertion statement.

Responsibility for the financial report

The Board of the Fremantle Surf Life Saving Club Inc. is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Incorporated Clubs Act of Western Australia and for such internal control as the Board determine is necessary to enable the preparation and fair presentation of a financial report that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian professional accounting bodies.

Electronic publication of the audited financial reports

It is my understanding that the Club intends to electronically present the audited financial report and auditor's report on its internet website. Responsibility for the electronic presentation of the financial report on the Club's website is that of the Board of the Fremantle Surf Life Saving Club Inc. The security and controls over information on the website should be addressed by the Club to maintain the integrity of the data presented. The examination of the controls over the electronic presentation of audited financial report(s) on the Club's website is beyond the scope of the audit of the financial report.

Independent audit report to the Members of the Fremantle Surf Life Saving Club Inc. (Cont'd)

Audit Report qualification Basis for Qualified Opinion

Receipts from Bar, Canteen, Merchandise and other cash fundraising activities are a source of revenue for the Club. The Club has determined that it is impracticable to establish control over the collection of this fundraising revenue prior to entry in its financial records. Accordingly, as the evidence available to me about revenue from these sources was limited, my audit procedures for these aforementioned fundraising activities had to be restricted to the amounts recorded in the financial records. I therefore am unable to express an opinion on whether this aforementioned fundraising cash revenue obtained by the Club is complete.

Qualified opinion

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial report of the Fremantle Surf Life Saving Club Inc. presents fairly in all material respects in accordance with the accounting policies described in Note 1 to the financial statements, the financial position of the Club at 31st March 2020 and its financial performance and its cash flows for the twelve months then ended.

Emphasis of matter

I draw attention to Note 1(e) in the financial report which describes the revenue recognition policy of the Club including the limitations that exist in relation to the recording of cash receipts from cash sales, donations and other cash fundraising activities. Revenue from this source represents a sizeable proportion of the Club's revenue. My opinion is unmodified in respect of this matter.



Milton L. F. Hunt
Registered Company Auditor
No. 13858

Dated at Perth this twenty-sixth day of June 2020.