



*The Big Swim 2016*  
Photograph by Tim Wirth



# WHALE BEACH PROPERTY SURF LIFE SAVING CLUB INCORPORATED ANNUAL REPORT 2015/2016

Whale Beach Property Surf Life Saving Club ABN 42 042 068 751 / 227 Whale Beach Road, Whale Beach NSW Australia / PO Box 354, Avalon NSW 2107, Australia / (02) 9974 4944 / info@whalebeachsurfclub.org / www.whalebeachsurfclub.org

## FROM THE PRESIDENT

### PHIL SCHMIDT, PRESIDENT

I advised in the Surf Club report that I will be stepping down this year as President, this also applies to the Property Club.

I am pleased to report that the Property Club is debt free and there is a substantial surplus in the bank accounts. During my tenure the mortgage established to pay final building claims was paid out after the leases of the phone towers were sold. Other than maintenance costs during the season, the Property Club advanced funds to the Surf Life Saving Club to purchase new equipment referred to throughout that entities annual report. There should not be a repeat of this expenditure next season.

We enjoy a remarkable association with our tenant Moby Dicks. During the year major repairs to the building had to be carried out. The management of Moby Dicks paid our portion of rectification works, with 50% of this cost to be refunded on a contra basis via a reduced monthly rent. Our sincere thanks go to Andrew and Pip Goldsmith for their support.

## PROPERTY OFFICERS AND HOUSE CAPTAIN'S REPORT

### DANNY RYAN, PROPERTY OFFICER & ANDREW PEARCE, HOUSE CAPTAIN

The majority of the construction rectification issues that were raised in the 2014/2015 Property Report, we are pleased, to say have nearly all been resolved.

Over the past season there have been a number of enhancements carried out for the enjoyment of our members. In the members lounge, tables and seating in various configurations have been provided as well as an improvement of the audio visual equipment and installation of a sideboard. On the BBQ deck the bar facilities have been upgraded with improvements in refrigeration and provision of an ice machine. The change rooms have been fitted with glass louvered panels to improve security and airflow. A continuous hot water system was installed outside the first-aid room in the stinger area and the gymnasium has benefited from an equipment upgrade including a state-of-the-art running machine.

At the beginning of the season an agreement was made with Moby Dicks to co-fund remedial building works via a monthly rental rebate. This covered window upgrades, kitchen floor replacement, and renewal of the front doors on the restaurant level, as well as removing the kitchen staircase and repairing windows on the apartment level.

At present plans for a refurbishment of the first-aid room are being considered, under counter refrigeration for drinks in the members' lounge is being installed and a re-vamped garbage and recycling program will be in place before next

## SECRETARY'S REPORT

### ANDREW PEARCE, HONORARY SECRETARY

The Property Club Management Committee consists of President Phil Schmidt, Treasurer Jon Pratten, Secretary Andrew Pearce and six Life Members: Martin Armstrong, Rob Berry, Chris Hendrikson, John Lewis, Richard Stewart, Bryan Webster. This committee met three times during the year which is one less than required by the constitution, we will endeavour to meet our obligations in future.

The main concerns over the last 12 months included building upgrades and maintenance, allocation of property related expenses and capital works, establishment of amelioration allowance, and revision of the evaluation for land and

You will note in the accounts that the Property Club now takes up all costs associated with maintenance of the premises. This arrangement provides a more accurate picture of the costs associated with operating and maintaining the building. We could be required to carry out significant compliance works in the future with respect to the tenancy. Bearing this in mind some thought should be given to establishing a separate sinking fund account to pay for future capital expenses.

Thought should also be given to organising a more formal arrangement between the Surf Club and the Property Club, for example establishing a lease between the two clubs. Clearly delineating and separating the two clubs would help better protect the building asset.

Thank you for the opportunity of being President for the past four years. After my experience I recommend we consider the future of the Club and introduce four year tenures with a maximum of eight years for the President and Officers of the Management Committee. This approach would result in a more dynamic management team.

season. Over time the fridge compressors for the Moby Dicks cool rooms are being relocated to alleviate associated noise near the sleeping quarters. Maintenance continues with repairs to leaking eastern windows, and frames on the Moby Dicks level being considered along with replacing some sections of guttering about the building.

Sincere thanks to member Jeff Cullis and his team from MANtenance who have carried out a number of projects about the building over the past season. Thanks, also, to our electrician Peter Straka from Electrotel and plumber Phillip Elliot from Northern Beaches Plumbing. Thank you to members Bill Mulligan and Cedric Lee for their furniture shopping and assembly skills! Again, member Paul Hughes has been a great asset to the Club, not only with his BBQ's but he always has the time to co-ordinate tradespeople. Two Working Bees were held during the season and the efforts of those who attended were much appreciated.

It is great to see the younger members making full use of the Club's facilities and we can see a marked improvement this season in the use of the Club's amenities where during the building construction it was very hard to keep the enthusiasm going. We can all remember the yellow tent on the beach! Moby Dicks are generously providing the Club a lot of support and it was great to see the Awards Night held at there this season; one of the best we have had for years.

building. Current projects being reviewed include the investigation of establishing a lease between the Property Club and Surf Club, considering the possibility of acquiring a neighbouring property, exploring upgrades to the first-aid room and boat sheds.

Thank you to the Management Committee who all invested their time, effort and counsel to ensure the maintenance and enhancement of the building, continuation of the strong relationship with tenant Moby Dicks and ensuring the needs of our membership are being met as well as prudently managing the finances.

## FROM THE TREASURER

### JON PRATTEN, HONORARY TREASURER

This year has been financially satisfactory, with revenue increasing and expenditure reducing. Our net profit was \$45,000.

Income was \$136,000, with the main contributions coming from Moby Dicks rent/outgoings at \$113,000 and a donation from the Surf Club of \$21,000.

Expenses were \$91,000 including insurances at \$17,000 and utilities and rates at \$15,000. Insurance premiums reduced due to consolidation of our policies with Jardine Lloyd Thompson. Building repairs and maintenance totaled \$42,000

## FINANCIAL REPORT FOR THE YEAR ENDING 30 APRIL 2016

INCOME STATEMENT	2016	2015	PROFIT AND LOSS STATEMENT	2016	2015
	\$	\$	<i>*This statement does not form part of the audited accounts</i>	\$	\$
Revenue	135,994	119,788			
Finance Costs	-	-	<b>INCOME</b>		
Other expenses	(91,492)	(82,456)	Interest received	1,940	2,518
<b>Surplus before income tax expense</b>	<b>44,502</b>	<b>37,332</b>	Donations - Surf club	21,000	15,000
Income tax expense			Moby's rent received	88,698	82,634
<b>Surplus for the year</b>	<b>44,502</b>	<b>37,332</b>	Moby's outgoings received	24,356	19,636
Surplus attributable to members of the entity	44,502	37,332	<b>Subtotal</b>	<b>135,994</b>	<b>119,788</b>

STATEMENT OF FINANCIAL POSITION	2016	2015	LESS EXPENDITURE		
	\$	\$			
<b>Assets</b>			Auditors' remuneration	4,500	4,500
<b>Current Assets</b>			Bank charges	110	201
Cash and cash equivalents	222,430	114,955	Depreciation	12,478	10,828
Accounts receivable and other debtors	-	24,929	Donation to Surf Club	-	-
<b>Total Current Assets</b>	<b>222,430</b>	<b>139,884</b>	Insurance	17,206	31,202
			Rates and utilities	15,446	21,925
<b>Non-Current Assets</b>			Repairs and maintenance	11,599	13,800
Property, plant and equipment	10,044,826	10,036,312	Property amelioration	30,000	-
<b>Total Non-Current Assets</b>	<b>10,044,826</b>	<b>10,036,312</b>	Miscellaneous	153	-
<b>Total Assets</b>	<b>10,044,826</b>	<b>10,176,196</b>	<b>Subtotal</b>	<b>91,492</b>	<b>82,456</b>

<b>Liabilities</b>			<b>NET OPERATING SURPLUS</b>	<b>44,502</b>	<b>37,332</b>
<b>Current Liabilities</b>			<b>Revaluation deficit</b>	<b>14,000</b>	<b>(687)</b>
Accounts payable and other payables	12,178	10,588	Retained earnings at the beginning of the financial year	10,165,608	10,128,963
<b>Total Current Liabilities</b>	<b>12,178</b>	<b>10,588</b>	<b>TOTAL AVAILABLE FOR APPROPRIATION</b>	<b>10,224,110</b>	<b>10,165,608</b>
<b>Non-Current Liabilities</b>			<b>RETAINED EARNINGS AT THE END OF THE FINANCIAL YEAR</b>	<b>10,224,110</b>	<b>10,165,608</b>

<b>Other</b>	<b>43,146</b>	<b>-</b>			
<b>Total Non-Current Liabilities</b>	<b>43,146</b>	<b>-</b>			
<b>Total Liabilities</b>	<b>43,146</b>	<b>10,588</b>			
<b>Net Assets (Liabilities)</b>	<b>10,224,110</b>	<b>10,165,608</b>			

Equity		
Reserves	6,795,770	6,781,770
Retained earnings	3,428,340	3,383,838
<b>Total Equity (Deficit)</b>	<b>10,224,110</b>	<b>10,165,608</b>

including a \$30,000 contribution from the Surf Club. This year we have started to make provision for future major building repair and maintenance items for the clubhouse. Our initial contribution to the property amelioration reserve was \$30,000.

Our lease of the upper floors restaurant to Moby Dicks expires in June 2019, subject to a further five year optional renewal. During the year we agreed to contribute up to \$50,000 plus GST to remedial building works in the leased area, financed by a reduction in rental over a period of 25 months. We completed the year with \$222,000 cash on hand.

## STATEMENT BY MEMBERS OF THE COMMITTEE

In the opinion of the committee the financial report which comprises the statement of financial position as at 30 April 2016, the income statement, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes:

1) Presents a true and fair view of the financial position of Whale Beach Property Surf Life Saving Club Incorporated as at 30 April 2016 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Standards Board;

2) At the date of this statement there are reasonable

## INDEPENDENT AUDIT REPORT : TO THE MEMBERS OF THE WHALE BEACH PROPERTY SURF LIFE SAVING CLUB INC.

### Report on the Financial Report

We have audited the accompanying financial report of Whale Beach Property Surf Life Saving Club Incorporated (the Association), which comprises the Statement of Financial Position at 30 April 2016 and the Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Statement by Members of the Committee.

### Committee's Responsibility for the Financial Report

The Committee of the Association is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Associations Incorporation Act 2009 and for such internal control as the Committee determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we 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 risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee, as well as evaluating the overall presentation of the financial report.

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

### Basis for Qualified Opinion

The Committee made a decision not to treat amounts of \$654,763 received in the Association's 2013 financial year in relation to the rent of its property for telecommunication purposes, in accordance with Australian Accounting Standards.

grounds to believe that Whale Beach Property Surf Life Saving Club Incorporated will be able to pay all of its debts as and when they become due and payable.

3) The financial statements and notes satisfy the requirements of the Australian Charities and Not for Profits Act.

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

**Philip Schmidt, President & Jon Pratten, Treasurer**

*Dated this 29th day of May 2015*

Had this income been recorded in accordance with Australian Accounting Standards, revenue as disclosed in the Income Statement would have been increased by \$33,606 in the 2016, 2015 and 2014 years, retained earnings as disclosed in the Statement of Financial Position would have been reduced by \$553,946 in 2016, \$587,552 in 2015 and \$621,157 in 2014 and a liability of \$553,946 in 2016, \$587,552 in 2015 and \$621,157 in 2014 would have been disclosed in the Statement of Financial Position under the heading income received in advance.

### Qualified Auditor's Opinion

In our opinion, except for the effects described in the Basis for Qualified Opinion paragraph, the financial report of Whale Beach Property Surf Life Saving Club Incorporated is in accordance with Australian Accounting Standards and the Associations Incorporation Act 2009, including:

(a) giving a true and fair view of the Association's financial position as at 30 April 2016 and of its performance and cash flows for the year ended on that date; and

(b) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Associations Incorporation Act 2009.

### Reanda Business Intellect Pty Ltd Registered Company Auditor

**Kevin Veale, Director**  
kevin@bizintel.com.au, Mona Vale  
*Dated this 14th day of June 2016*

## NOTICE OF AGM

The Annual General Meeting for Whale Beach Property Surf Life Saving Club Incorporated will be held at the Whale Beach Surf Club commencing at 2:00pm Sunday 14th August 2016.

### AGENDA:

Whale Beach Property Surf Life Saving Club Incorporated

- Apologies
- President's Welcome
- Confirmation of Minutes of 2014-2015
- Adoption of Annual Report
- Adoption of Financial Statements and Auditor's Report
- Notices of Motion as approved by the Club Management Committee:
  1. To appoint our auditors for season 2016-2017 Reanda Business Intellect Pty Ltd
- Election of Officers not required as Life Members have served one year of three-year term
- General Business