

Whale Beach SLSC Incorporated

ABN 89 110 310 102

Financial Statements

For the Year Ended 30 April 2020

Whale Beach SLSC Incorporated

ABN 89 110 310 102

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For the Year Ended 30 April 2020

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Whale Beach SLSC Incorporated

ABN 89 110 310 102

Contents

For the Year Ended 30 April 2020

Private and Confidential

To the Responsible Persons of Whale Beach SLSC Incorporated
227 Whale Beach Road
Whale Beach NSW 2107

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 60-40 OF THE CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 April 2020 there have been:

1. No contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

Yours faithfully,

Morgan Veale & Co



Kevin Andrew Veale
Registered Company Auditor
kevin@morganveale.com.au
Mona Vale

Date: 25th June 2020

Whale Beach SLSC Incorporated

ABN 89 110 310 102

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

		2020	2019
	Note	\$	\$
Government grants	3	86,040	23,654
Donations and bequests	3	19,404	35,167
Other revenue	3	207,412	211,589
Depreciation and amortisation expense		(14,613)	(20,831)
Other expenses		(297,150)	(247,385)
Profit before income tax		1,093	2,194
Income tax expense		-	-
Profit for the year		1,093	2,194
Other comprehensive income		-	-
Total comprehensive income for the year		1,093	2,194

The accompanying notes form part of these financial statements.

Whale Beach SLSC Incorporated

ABN 89 110 310 102

**Statement of Financial Position
As At 30 April 2020**

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	13,943	8,217
Trade and other receivables	6	1,868	10,366
Inventories	7	7,910	9,562
TOTAL CURRENT ASSETS		23,721	28,145
NON-CURRENT ASSETS			
Property, plant and equipment	8	14,467	22,872
TOTAL NON-CURRENT ASSETS		14,467	22,872
TOTAL ASSETS		38,188	51,017
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	13,010	21,144
Other liabilities	10	1,712	7,500
TOTAL CURRENT LIABILITIES		14,722	28,644
TOTAL LIABILITIES		14,722	28,644
NET ASSETS		23,466	22,373
EQUITY			
Retained earnings		23,466	22,373
TOTAL EQUITY		23,466	22,373

The accompanying notes form part of these financial statements.

Whale Beach SLSC Incorporated

ABN 89 110 310 102

Statement of Changes in Equity
For the Year Ended 30 April 2020

2020

	Retained Earnings	Total
Note	\$	\$
Balance at 1 May 2019	22,373	22,373
Profit attributable to members	1,093	1,093
Balance at 30 April 2020	<u>23,466</u>	<u>23,466</u>

2019

	Retained Earnings	Total
Note	\$	\$
Balance at 1 May 2018	20,179	20,179
Profit attributable to members	2,194	2,194
Balance at 30 April 2019	<u>22,373</u>	<u>22,373</u>

The accompanying notes form part of these financial statements.

Whale Beach SLSC Incorporated

ABN 89 110 310 102

Statement of Cash Flows
For the Year Ended 30 April 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	321,286	260,247
Payments to suppliers and employees	(309,419)	(259,417)
Net cash provided by/(used in) operating activities	13 11,867	830
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	67	13
Purchase of property, plant and equipment	(6,208)	(12,056)
Net cash provided by/(used in) investing activities	(6,141)	(12,043)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase/(decrease) in cash and cash equivalents held	5,726	(11,213)
Cash and cash equivalents at beginning of year	8,217	19,430
Cash and cash equivalents at end of financial year	5 13,943	8,217

The accompanying notes form part of these financial statements.

Whale Beach SLSC Incorporated

ABN 89 110 310 102

Notes to the Financial Statements

For the Year Ended 30 April 2020

The financial statements cover Whale Beach SLSC Incorporated as an individual entity. Whale Beach SLSC Incorporated is a not-for-profit Association incorporated in New South Wales under the *Associations Incorporation Act 2009 (NSW)*.

The principal activity of the Association for the year ended 30 April 2020 was to conduct voluntary surf life saving patrols at Whale Beach NSW.

The functional and presentation currency of Whale Beach SLSC Incorporated is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards - Reduced Disclosure Requirements, Accounting Interpretations and the *Australian Charities and Not-for-Profits Commission Act 2012 (Cth)*.

The financial statements have been prepared on an accruals 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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Income Tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Notes to the Financial Statements

For the Year Ended 30 April 2020

2 Summary of Significant Accounting Policies

(b) Revenue and other income

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the Association obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the Association incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Whale Beach SLSC Incorporated receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Donations

Donations and bequests are recognised as revenue when received.

Interest revenue

Interest is recognised using the effective interest method.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Other income

Other income is recognised on an accruals basis when the Association is entitled to it.

(c) Goods and services tax (GST)

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

Receivables and payables are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Notes to the Financial Statements

For the Year Ended 30 April 2020

2 Summary of Significant Accounting Policies

(b) Revenue and other income

(d) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

(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.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Association, commencing when the asset is ready for use.

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

Fixed asset class	Depreciation rate
Plant and Equipment	20 - 50%
Furniture, Fixtures and Fittings	20 - 50%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Notes to the Financial Statements

For the Year Ended 30 April 2020

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Association classifies its financial assets at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Notes to the Financial Statements

For the Year Ended 30 April 2020

2 Summary of Significant Accounting Policies

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Association considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Association's historical experience and informed credit assessment and including forward looking information.

The Association uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Association uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Association in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables has been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Association renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost is determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Association measures all financial liabilities initially at fair value less transaction costs; subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Association is comprised of trade payables.

Notes to the Financial Statements

For the Year Ended 30 April 2020

2 Summary of Significant Accounting Policies

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(g) Leases

Prior Treatment

Finance Leases were capitalised, recording an asset and a liability.

Leased assets were depreciated over their estimated useful lives. Finance leases were 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 remained with the lessor, were charged as expenses in the periods in which they were incurred.

New Accounting Standards Introduced

AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019) replaces the previous accounting requirements. AASB 16 introduces a single lessee accounting model that eliminates the requirement for lease to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116: Property Plant & Equipment in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional exposure requirements.

AASB 2018-8 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities allows that where the lessee is a not-for-profit entity, the lessee may elect to measure right-of-use assets on a class-by-class basis at initial recognition at fair value in accordance with AASB 13 Fair Value Measurement for leases that have significant below-market terms and conditions principally to enable the entity to further its objectives. AASB 1058 Income for Not-for-Profit Entities addresses the recognition of related amounts.

In addition, where a lessee is a not-for-profit entity and elects to measure a class or classes of right-of-use

Notes to the Financial Statements

For the Year Ended 30 April 2020

2 Summary of Significant Accounting Policies

assets at initial recognition at cost for leases that have significantly below-market terms and conditions principally to enable the entity to further its objectives, the lessee shall disclose additional qualitative and quantitative information about those leases which shall include, but is not limited to, information that helps users of financial statements to assess:

- (a) the entity's dependence on leases that have significantly below-market terms and conditions principally to enable the entity to further its objectives; and
- (b) the nature and terms of the leases, including:
 - (i) the lease payments
 - (j) the lease term
 - (k) the description of underlying asset; and
 - (l) restrictions on the use of the underlying assets specific to the entity.

The disclosures so provided by a not-for-profit entity shall be provided individually for each material lease that has significantly below-market terms and conditions principally to enable the entity to further its objectives or in aggregate for leases involving right-of-use assets of a similar nature.

As a not-for-profit entity the Association elects to measure Land and Buildings right-of-use assets at cost.

At the date of this report the Association as lessee had entered into a lease on significantly below-market terms with Whale Beach Property Surf Life Saving Club Incorporated. As a not-for-profit entity the Association elects to measure Land and Buildings right-of-use assets at cost to enable the Association to further its objectives of the provision of life saving services at Whale Beach.

(l) The nature and terms of this lease are:

- i. The lease payments are \$1 per annum payable in advance
- ii. The lease term was initially for one year and now continues on a month-to-month basis
- iii. The asset the subject of the lease is the building at 27 Whale Beach Road, Whale Beach NSW less certain sections of that building let to other tenants
- iv. The lease provides that the Association shall be entitled to use the leased premises only as a surf life saving club.

Whale Beach SLSC Incorporated

ABN 89 110 310 102

Notes to the Financial Statements For the Year Ended 30 April 2020

2 Summary of Significant Accounting Policies

3 Revenue and Other Income

Revenue from continuing operations

	2020	2019
	\$	\$
Revenue		
- Donations and bequests	19,404	35,167
- Government grants	86,040	23,654
	<u>105,444</u>	<u>58,821</u>
Other revenue		
- Rendering of services	161,557	161,557
- Interest received	67	13
- Member subscriptions	45,788	50,019
	<u>207,412</u>	<u>211,589</u>
Total Revenue	<u><u>312,856</u></u>	<u><u>270,410</u></u>

Whale Beach SLSC Incorporated

ABN 89 110 310 102

Notes to the Financial Statements For the Year Ended 30 April 2020

4 Auditors' Remuneration

	2020	2019
	\$	\$
Remuneration of the auditor for:		
- auditing the financial statements	4,500	4,500
	<u>4,500</u>	<u>4,500</u>

5 Cash and Cash Equivalents

Cash on hand	0	150
Bank balances	13,943	8067
	<u>13,943</u>	<u>8,217</u>

6 Trade and Other Receivables

Trade receivables	-	9,900
Prepayments	1,868	-
GST receivable	-	466
	<u>1,868</u>	<u>10,366</u>

7 Inventories

At cost:		
Stock on hand	7,910	9,562
	<u>7,910</u>	<u>9,562</u>

8 Property, plant and equipment

Plant and equipment		
At cost	96,508	91,009
Accumulated depreciation	(85,283)	(74,435)
Total plant and equipment	<u>11,225</u>	<u>16,574</u>
Furniture, fixtures and fittings		
At cost	20,499	19,791
Accumulated depreciation	(17,257)	(13,493)
Total furniture, fixtures and fittings	<u>3,242</u>	<u>6,298</u>
Total property, plant and equipment	<u><u>14,467</u></u>	<u><u>22,872</u></u>

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:

Whale Beach SLSC Incorporated

ABN 89 110 310 102

Notes to the Financial Statements

For the Year Ended 30 April 2020

8 Property, plant and equipment

Movements in carrying amounts of property, plant and equipment

	Plant and Equipment	Furniture, Fixtures and Fittings	Total
	\$	\$	\$
Year ended 30 April 2020			
Balance at the beginning of the year	16,573	6,299	22,872
Additions	5,500	708	6,208
Depreciation expense	(10,848)	(3,765)	(14,613)
Balance at the end of the year	11,225	3,242	14,467

	Plant and Equipment	Furniture, Fixtures and Fittings	Total
	\$	\$	\$
Year ended 30 April 2019			
Balance at the beginning of the year	24,012	7,635	31,647
Additions	9,694	2,362	12,056
Depreciation expense	(17,133)	(3,698)	(20,831)
Balance at the end of the year	16,573	6,299	22,872

Whale Beach SLSC Incorporated

ABN 89 110 310 102

Notes to the Financial Statements For the Year Ended 30 April 2020

9 Trade and Other Payables

	2020	2019
Note	\$	\$
Trade payables	8,096	13,674
Other payables	414	-
Accrued expenses	4,500	7,470
	<u>13,010</u>	<u>21,144</u>

10 Other Liabilities

Income in advance	1,712	7,500
	<u>1,712</u>	<u>7,500</u>

11 Statutory Information

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

Whale Beach SLSC Incorporated
227 Whale Beach Road
Whale Beach NSW 2107

12 Going Concern

The financial statements have been prepared on a going concern basis, which assumes the Association will be able to continue its trading activities.

The Association made a trading profit of \$1,093 for the year ended 30 April 2020, with a positive equity position of \$23,466.

The Association's ability to meet its obligations as and when they fall due and continue as a going concern is dependent on a number of factors. These include the ability of the Association to perform in line with budgets and cash flow projections, in addition to achieving sustainable levels of trading and membership in the future.

At the date of this report the Association's operations are in lockdown in accordance with COVID-19 government regulations and SLSA pronouncements.

The Association will continue to comply with government regulation and SLSA pronouncements, including proposals for staged relaxation of lockdown and other restrictions.

The timing and extent of these measures, and the ongoing effects of the COVID-19 pandemic on the Association's operations are not presently known.

The Association is currently reviewing its operations to determine any possible cost efficiencies and alternative trading operations. The Committee has determined that the going concern assumption is appropriate for the preparation of the financial statements.

Notes to the Financial Statements
For the Year Ended 30 April 2020

13 Cash Flow Information

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	13,943	8,217
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(b) Reconciliation of result for the year to cash flows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2020	2019
	\$	\$
Profit for the year	1,093	2,194
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	14,613	20,831
- interest included as investing activity	(67)	(13)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	8,498	(10,150)
- (increase)/decrease in inventories	1,652	3,087
- increase/(decrease) in income in advance	(5,788)	6,144
- increase/(decrease) in trade and other payables	(8,134)	(21,263)
Cash flows from operations	<u>11,867</u>	<u>830</u>

Statement by Members of the Committee

(Responsible Persons' Declaration)

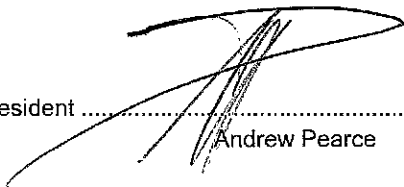
The committee (responsible persons) declares that in the committee's (responsible persons') opinion:

1. The financial report which comprises of the statement of financial position as at 30 April 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, satisfies the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012 (Cth)* and
 - a) complies with Australian Accounting Standards - Reduced Disclosure Requirements (including Australian Accounting Interpretations) of the Australian Accounting Standards Board, and
 - b) presents fairly the financial position of Whale Beach SLSC Incorporated as at 30 April 2020 and its performance for the year ended on that date.
2. The accompanying statement of profit or loss and other comprehensive income is drawn up so as to give a true and fair view of the profit (or loss) of the Association including fundraising appeals for the last financial year;
3. The statement of financial position is drawn up so as to give a true and fair view of the state affairs of the Association including fundraising appeals as at the end of the financial year;
4. The provisions of the *Charitable Fundraising Act 1991 (NSW)*, the regulations under the act, and the conditions attached to the fundraising authority have been complied with by the Association;
5. The internal controls exercised by the Association are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals;
6. At the date of this statement, there are reasonable grounds to believe that Whale Beach SLSC Incorporated will be able to pay all of its debts as and when they fall due and payable;
7. The accounts and associated records have been properly kept during the year;
8. Money received as a result of fundraising appeals conducted during the year has been properly accounted for, and;
9. The principal activities of the Association during the financial year were the provision of lifesaving services and no significant change to these activities has occurred.

The accounts of the Association have been made out in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, other professional reporting requirements, the provisions of the *Australian Charities and Not-for-Profits Commission Act 2012 (Cth)*, the *Associations Incorporations Act 2009 (NSW)* and the *Charitable Fundraising Act 1991 (NSW)*.

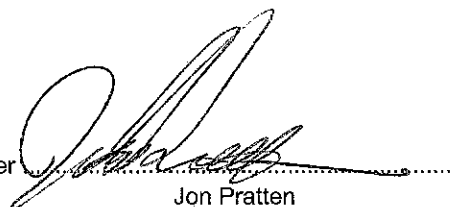
This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee in accordance with subsection 60.15 (2) of the *Australian Charities and Not-for-Profits Commission Regulation 2013* and other requirements by:

President



Andrew Pearce

Treasurer



Jon Pratten

Dated this 25th day of June 2020



Morgan Veale & Co

Business Development Consultants
Chartered Accountants

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Principal: Kevin A Veale BA FCA

ABN 39 641 271 163

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WHALE BEACH SLSC INCORPORATED

Report on the Audit of the Financial Report

We have audited the financial report of **Whale Beach SLSC Incorporated** ABN 89 110 310 102 (the Association), which comprises the Statement of Financial Position as at 30 April 2020, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the Declaration by Members of the Committee.

Auditor's Qualified Opinion

In our opinion, except for the effects described in the Basis for Qualified Opinion paragraph, the financial report of Whale Beach SLSC Incorporated has been prepared in accordance with Div 60 of the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)* and the *Associations Incorporation Act 2009 (NSW)*, including:

- (a) giving a true and fair view of the Association's financial position as at 30 April 2020 and of its financial performance and cash flows for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

In accordance with the *Charitable Fundraising Act 1991 (as amended) (NSW)* and the *Charitable Fundraising Regulation 2008*, in our opinion, except for the effects described in the Basis for Qualified Opinion paragraph:

- (a) the financial statements show a true and fair view of the financial results of the fundraising appeals conducted during the year ended 30 April 2020 being the year to which they relate;
- (b) the financial statements and associated records have been properly kept during the year ended 30 April 2020, in accordance with the *Charitable Fundraising Act 1991* and the regulations;
- (c) money received as a result of fundraising appeal activities conducted during the year ended 30 April 2020 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act 1991* and the regulations;
- (d) at the date of this report, there are reasonable grounds to believe that Whale Beach SLSC Incorporated will be able to pay all of its debts as and when they fall due and payable.

Basis for Qualified Opinion: Donations and Fund Raising Activities

It is not practical for Whale Beach SLSC Incorporated to maintain an effective system of internal control over donations and fund raising activities until their entry in the accounting records. Accordingly, our audit in relation to donations and fund raising was limited to amounts recorded.

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 association in accordance with the ethical 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.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WHALE BEACH SLSC INCORPORATED

Emphasis of Matter: Subsequent Event: The Impact of the Uncertainty of COVID-19

We draw attention to Note 12 in the financial report, which describes events during the year and subsequent to year-end and specifically the possible effects of the future implications of COVID-19 on the Association's future financial position and performance. In our view, this issue is fundamental to users' understanding of the financial report. Our opinion is not modified in respect of this matter.

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

The committee is responsible for the other information. The other information comprises the information included in the registered entity's annual report for the year ended 30 April 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.

Responsibilities of the Committee for the Financial Report

The committee of the Association is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Act 2009* and for such internal control as the committee determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee either intends to liquidate the association 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 the 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 also:

- 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.
- 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.

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- Conclude on the appropriateness of the committee'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 Association'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 Association to cease to continue as a going concern.
- 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 with the committee 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.

Morgan Veale & Co



Kevin A Veale BA FCA
Registered Company Auditor

kevin@morganveale.com.au
Mona Vale

Dated this *25th* day of June 2020

Whale Beach SLSC Incorporated

ABN 89 110 310 102

Detailed Profit and Loss Account For the Year Ended 30 April 2020

	2020	2019
	\$	\$
Income		
Interest received	67	13
Member subscriptions	45,788	50,019
Apparel sales	2,389	6,826
Raffles	960	-
Miscellaneous income	137	701
Surf club functions	38,725	43,440
Training	64	284
Big swim income	118,782	108,338
Competitions and awards	-	768
Sale of fixed assets	500	1,200
Donations and bequests (other)	19,404	20,167
Donations from property club	-	15,000
Government grants	86,040	23,654
Total income	312,856	270,410
Less: Expenses		
Administration and management fees	7,724	35,745
Apparel purchases	6,716	11,267
Auditors remuneration	4,500	4,500
Bank charges	(32)	1,273
Big swim expenses	63,233	48,671
Carnival fees and costs	148	505
Depreciation	14,613	20,831
Donations to WB Property Club	66,000	-
Freight and cartage	955	14
Legal fees	2,015	-
Miscellaneous expenses	-	1,571
Office expenses	1,484	2,588
Postage and freight	355	1,548
Printing, photography, media	14,418	11,343
SLS branch / state fees	12,091	11,543
Repairs and maintenance	35,907	46,123
Surf club functions	39,567	34,370
Training	11,905	19,310
Trophies, prizes and tributes	4,256	8,629
Utilities	6,248	8,385
Wages and salaries	18,154	-
Superannuation	1,506	-
Total Expenses	311,763	268,216
Profit before income tax	1,093	2,194