

Whale Beach SLSC Incorporated

ABN 89 110 310 102

Financial Statements

For the Year Ended 30 April 2022

Whale Beach SLSC Incorporated

ABN 89 110 310 102

Contents

For the Year Ended 30 April 2022

| | Page |
|--|------|
| Financial Statements | |
| Auditor's Independence Declaration | 1 |
| Statement of Profit or Loss and Other Comprehensive Income | 2 |
| Statement of Financial Position | 3 |
| Statement of Changes in Equity | 4 |
| Statement of Cash Flows | 5 |
| Notes to the Financial Statements | 6 |
| Statement by Members of the Committee (Responsible Persons' Declaration) | 19 |
| Independent Auditor's Report | 20 |
| Detailed Profit and Loss Account | 23 |



Morgan Veale & Co

Business Development Consultants
Chartered Accountants

PO Box 1387
Mona Vale NSW 1660

Gateway, Suite 1a
1 Mona Vale Road
Mona Vale NSW 2103

P: 02 9999 6799

F: 02 9999 4200

E: kevin@morganveale.com.au

Principal: Kevin A Veale BA FCA

ABN 39 641 271 163

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 2022 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

Suite 1a, 1 Mona Vale Road

Mona Vale NSW 2103

Date: 20th June 2022

Whale Beach SLSC Incorporated

ABN 89 110 310 102

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 April 2022

| | | 2022 | 2021 |
|--|------|-----------|-----------|
| | Note | \$ | \$ |
| Revenue from governments | 3 | 44,695 | 105,440 |
| Donations and bequests | 3 | 17,027 | 15,319 |
| Other revenue | 3 | 219,755 | 150,101 |
| Depreciation and amortisation expense | | (17,226) | (10,891) |
| Other expenses | | (256,296) | (255,933) |
| Profit before income tax | | 7,955 | 4,036 |
| Income tax expense | | - | - |
| Profit for the year | | 7,955 | 4,036 |
| Other comprehensive income | | | |
| Total comprehensive income for the year | | 7,955 | 4,036 |

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 2022

| | Note | 2022 \$ | 2021 \$ |
|-------------------------------|------|----------------|---------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 5 | 40,442 | 15,031 |
| Trade and other receivables | 6 | 5,644 | 7,859 |
| Inventories | 7 | 21,753 | 21,026 |
| TOTAL CURRENT ASSETS | | <u>67,839</u> | <u>43,916</u> |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 8 | <u>47,265</u> | <u>26,610</u> |
| TOTAL NON-CURRENT ASSETS | | <u>47,265</u> | <u>26,610</u> |
| TOTAL ASSETS | | <u>115,104</u> | <u>70,526</u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 9 | 66,806 | 43,024 |
| Other liabilities | 10 | <u>12,841</u> | <u>-</u> |
| TOTAL CURRENT LIABILITIES | | <u>79,647</u> | <u>43,024</u> |
| TOTAL LIABILITIES | | <u>79,647</u> | <u>43,024</u> |
| NET ASSETS | | <u>35,457</u> | <u>27,502</u> |
| EQUITY | | | |
| Retained earnings | | <u>35,457</u> | <u>27,502</u> |
| TOTAL EQUITY | | <u>35,457</u> | <u>27,502</u> |

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 2022

2022

| | Note | Retained Earnings \$ | Total \$ |
|--------------------------------|------|----------------------------|---------------|
| Balance at 1 May 2021 | | 27,502 | 27,502 |
| Profit attributable to members | | 7,955 | 7,955 |
| Balance at 30 April 2022 | | <u>35,457</u> | <u>35,457</u> |

2021

| | Note | Retained Earnings \$ | Total \$ |
|--------------------------------|------|----------------------------|---------------|
| Balance at 1 May 2020 | | 23,466 | 23,466 |
| Profit attributable to members | | 4,036 | 4,036 |
| Balance at 30 April 2021 | | <u>27,502</u> | <u>27,502</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 2022

| | 2022 | 2021 |
|---|-----------|-----------|
| Note | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Receipts from customers | 283,692 | 264,858 |
| Payments to suppliers and employees | (233,240) | (240,748) |
| Net cash provided by/(used in) operating activities | 13 50,452 | 24,110 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Interest received | - | 12 |
| Purchase of property, plant and equipment | (37,882) | (23,034) |
| Net cash provided by/(used in) investing activities | (37,882) | (23,022) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Proceeds from borrowings | 12,841 | - |
| Net increase/(decrease) in cash and cash equivalents held | 25,411 | 1,088 |
| Cash and cash equivalents at beginning of year | 15,031 | 13,943 |
| Cash and cash equivalents at end of financial year | 5 40,442 | 15,031 |

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 2022

Summary of Significant Accounting Policies

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 2022 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, the *Australian Charities and Not-for-Profits Commission Act 2012 (Cth)*, the *Associations Incorporation Act 2009 (NSW)*, the *Charitable Fundraising Act 1991 (NSW)* and the Association's Constitution.

The Committee has determined that the association is not a reporting entity.

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

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) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 Revenue from Contracts with Customers 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

Notes to the Financial Statements

For the Year Ended 30 April 2022

2 Summary of Significant Accounting Policies

(b) Revenue and other income

4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred.

Income of not-for-profit entities

AASB 1058 Income of Not-For-Profit Entities applies to financial statements of a not-for-profit entity that are, or are held out to be, general purpose financial statements. This standard clarifies and simplifies the income recognition requirements that apply to not-for-profit entities in conjunction with AASB 15 Revenue from Contracts with Customers. The requirements of AASB 1058 more closely reflect the economic reality of NFP entity transactions that are not contracts with customers.

The timing of income recognition depends on whether such transactions give rise to a liability or other performance obligations (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity.

This standard applies when a not-for-profit entity receives volunteer services or enters into other transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. In the latter case, the entity recognises and measures the asset at fair value in accordance with the applicable Australian Accounting Standard (eg AASB 116 Property, Plant & Equipment).

If the transaction is a transfer of a financial asset to enable an entity to acquire or construct a recognisable non-financial asset to be controlled by the entity (ie an in-substance acquisition of a non-financial asset), the entity recognises a liability for the excess of the fair value of the transfer over any related amounts recognised. The entity recognises income as it satisfies its obligations under the transfer similarly to income recognition in relation to performance obligations under AASB 15.

When an entity receives volunteer services and cannot reliably measure the fair value of those services, the entity may elect to recognise the services as an asset (provided the relevant asset recognition criteria are met) or an expense.

Volunteer services

It is not practical for the Association to reliably measure the fair value of receipts from volunteer services.

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.

Notes to the Financial Statements

For the Year Ended 30 April 2022

2 Summary of Significant Accounting Policies

(b) Revenue and other income

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 2022

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 2022

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 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

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.

Notes to the Financial Statements

For the Year Ended 30 April 2022

2 Summary of Significant Accounting Policies

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 asset 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 2022

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.

(h) Leases

The Association applies AASB 16: Leases which applies a single lessee accounting model that eliminates the requirement for lease to be classified as operating or finance leases.

The Association also applies AASB 2018-8 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities. This standard 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 addition, where a lessee is a not-for-profit entity and elects to measure a class or classes of right-of-use 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.

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.

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.

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 227 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

(i) Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities and expenses.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Notes to the Financial Statements

For the Year Ended 30 April 2022

2 Summary of Significant Accounting Policies

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit, based upon expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling price.

Long service leave

The liability for long service leave is recognised at the present value of the estimated 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.

(j) Related party transactions

The Association's related parties include its key management personnel and related entities as described below. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

Transactions with related parties

The Association sourced goods and services from members at market rates during the financial year. All related party services and contracts are approved by the committee.

Transactions with key management personnel

All key management personnel are volunteers and are not compensated for holding office positions.

(k) Fundraising activities

Net fundraising is applied to the operational expenses of the Association in its core lifesaving activities.

Whale Beach SLSC Incorporated

ABN 89 110 310 102

Notes to the Financial Statements For the Year Ended 30 April 2022

2 Summary of Significant Accounting Policies

3 Revenue and Other Income

Revenue from continuing operations

| | 2022 | 2021 |
|---|-----------------------|-----------------------|
| | \$ | \$ |
| Revenue | | |
| - Donations and bequests | 17,027 | 15,319 |
| - Government Cash Flow Boosts & JobKeeper | - | 33,796 |
| - Government grants | 44,695 | 71,644 |
| - Other grants | 7,600 | 1,000 |
| | <u>69,322</u> | <u>121,759</u> |
| Other revenue | | |
| - Rendering of services | 161,558 | 105,342 |
| - Interest received | - | 12 |
| - Member subscriptions | 50,597 | 43,746 |
| | <u>212,155</u> | <u>149,100</u> |
| Total Revenue | <u><u>281,477</u></u> | <u><u>270,860</u></u> |

Whale Beach SLSC Incorporated

ABN 89 110 310 102

Notes to the Financial Statements For the Year Ended 30 April 2022

4 Auditors' Remuneration

| | 2022 | 2021 |
|-------------------------------------|--------------|--------------|
| | \$ | \$ |
| 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 | 577 | 105 |
| Bank balances | 39,865 | 14,926 |
| | <u>40,442</u> | <u>15,031</u> |

6 Trade and Other Receivables

| | | |
|-------------------|--------------|--------------|
| Trade receivables | - | 754 |
| Prepayments | 5,454 | 6,028 |
| GST receivable | 190 | 1,077 |
| | <u>5,644</u> | <u>7,859</u> |

7 Inventories

| | | |
|---------------|---------------|---------------|
| At cost: | | |
| Stock on hand | 21,753 | 21,026 |
| | <u>21,753</u> | <u>21,026</u> |

8 Property, plant and equipment

| | | |
|--|---------------|---------------|
| Plant and equipment | | |
| At cost | 117,008 | 110,201 |
| Accumulated depreciation | (103,419) | (93,784) |
| Total plant and equipment | <u>13,589</u> | <u>16,417</u> |
| Furniture, fixtures and fittings | | |
| At cost | 56,488 | 29,841 |
| Accumulated depreciation | (22,812) | (19,648) |
| Total furniture, fixtures and fittings | <u>33,676</u> | <u>10,193</u> |
| Total property, plant and equipment | <u>47,265</u> | <u>26,610</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:

Notes to the Financial Statements

For the Year Ended 30 April 2022

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 2022 | | | |
| Balance at the beginning of the year | 16,417 | 10,193 | 26,610 |
| Additions | 6,807 | 31,075 | 37,882 |
| Depreciation expense | (9,635) | (7,592) | (17,227) |
| Balance at the end of the year | 13,589 | 33,676 | 47,265 |

| | Plant and Equipment \$ | Furniture, Fixtures and Fittings \$ | Total \$ |
|---------------------------------------|------------------------------|--|---------------|
| Year ended 30 April 2021 | | | |
| Balance at the beginning of the year | 11,225 | 3,242 | 14,467 |
| Additions | 13,692 | 9,342 | 23,034 |
| Depreciation expense | (8,500) | (2,391) | (10,891) |
| Balance at the end of the year | 16,417 | 10,193 | 26,610 |

Whale Beach SLSC Incorporated

ABN 89 110 310 102

Notes to the Financial Statements For the Year Ended 30 April 2022

9 Trade and Other Payables

| | 2022 | 2021 |
|------------------|---------------|---------------|
| Note | \$ | \$ |
| Trade payables | 43,956 | 37,396 |
| Other payables | 100 | 1,128 |
| Accrued expenses | 22,750 | 4,500 |
| | <u>66,806</u> | <u>43,024</u> |

10 Other Liabilities

| | | |
|-------------------|---------------|----------|
| Other liabilities | 12,841 | - |
| | <u>12,841</u> | <u>-</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 and Subsequent Events

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 \$7,955 for the year ended 30 April 2022, with a positive equity position of \$35,457.

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.

The Association will continue to comply with government regulation and SLSA pronouncements, including COVID-19 lockdowns 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 2022

13 Cash Flow Information

(a) Reconciliation of cash

| | 2022 \$ | 2021 \$ |
|---|------------|------------|
| 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 | 40,442 | 15,031 |

(b) Reconciliation of result for the year to cash flows from operating activities

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

| | | |
|--|---------|----------|
| Profit for the year | 7,955 | 4,036 |
| Cash flows excluded from profit attributable to operating activities | | |
| Non-cash flows in profit: | | |
| - depreciation | 17,226 | 10,891 |
| - interest included as investing activity | (-) | (12) |
| Changes in assets and liabilities: | | |
| - (increase)/decrease in trade and other receivables | (2,215) | (5,990) |
| - (increase)/decrease in inventories | (726) | (13,117) |
| - increase/(decrease) in income in advance | (-) | (1,712) |
| - increase/(decrease) in trade and other payables | 28,212 | 30,014 |
| Cash flows from operations | 50,452 | 24,110 |

Statement by Members of the Committee

(Responsible Persons' Declaration)

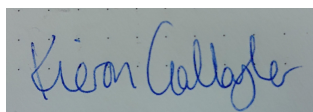
The committee (responsible persons) declares that in the committee's (responsible persons') opinion:

1. The financial report which comprises of the statement of financial position as at 30 April 2022, 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 2022 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



Kieran Gallagher

Treasurer



Jon Pratten

Dated this 20th day of June 2022



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WHALE BEACH SLSC INCORPORATED

Report on the Audit of the Financial Report

I 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 2022, 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 my 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 2022 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 my 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 2022 being the year to which they relate;
- (b) the financial statements and associated records have been properly kept during the year ended 30 April 2022, 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 2022 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, my audit in relation to donations and fund-raising was limited to amounts recorded.

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am 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 my audit of the financial report in Australia. I have also fulfilled my 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

I 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 my view, this issue is fundamental to users' understanding of the financial report. My 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 2022, but does not include the financial report and my auditor's report thereon. My opinion on the financial report does not cover the other information and accordingly I 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

My 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 my 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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.

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

Morgan Veale & Co



Kevin A Veale BA FCA
Registered Company Auditor

kevin@morganveale.com.au
Suite 1a, 1 Mona Vale Road
Mona Vale NSW 2103

Dated this 20th day of June 2022

Whale Beach SLSC Incorporated

ABN 89 110 310 102

Detailed Profit and Loss Account

For the Year Ended 30 April 2022

| | 2022 \$ | 2021 \$ |
|--|----------------|----------------|
| Income | | |
| Interest received | - | 12 |
| Member subscriptions | 50,597 | 43,746 |
| Apparel sales | 5,993 | 8,289 |
| Raffles | - | - |
| Miscellaneous income | - | 143 |
| Surf club functions | 26,547 | 21,070 |
| Training | - | 140 |
| Big swim income | 127,718 | 74,201 |
| Profits on sales of fixed assets | 1,300 | 1,500 |
| Donations and bequests (other) | 17,027 | 15,319 |
| Revenue from government-Cash Flow Boosts and JobKeeper | - | 33,796 |
| Revenue from government-grants | 44,695 | 71,644 |
| Other grants | 7,600 | 1,000 |
| Total income | 281,477 | 270,860 |
| Less: Expenses | | |
| Administration and management fees | 2,108 | 2,420 |
| Apparel purchases | 7,023 | 5,752 |
| Auditors remuneration | 4,500 | 4,500 |
| Bank charges | 577 | 468 |
| Big swim expenses | 36,788 | 29,361 |
| Carnival fees and costs | 409 | 141 |
| Depreciation | 17,226 | 10,891 |
| Donations to WB Property Club | 83,000 | 94,000 |
| Freight and cartage | 43 | 18 |
| Legal fees | - | 1,291 |
| Miscellaneous expenses | 3,059 | 239 |
| Office expenses | 738 | 543 |
| Postage and freight | 438 | 616 |
| Printing, photography, media | 14,758 | 11,759 |
| SLS branch / state fees | 12,583 | 11,809 |
| Repairs and maintenance | 33,192 | 43,429 |
| Surf club functions | 21,487 | 11,541 |
| Training | 1,195 | 2,255 |
| Trophies, prizes and tributes | 4,939 | 2,057 |
| Utilities | 4,748 | 4,818 |
| Wages and salaries | 22,586 | 27,071 |
| Superannuation | 2,125 | 1,845 |
| Total Expenses | 273,522 | 266,824 |
| Profit before income tax | 7,955 | 4,036 |