

**PORT FAIRY SURF LIFE SAVING CLUB INC**

**STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE, 2022**

	Note	2022 \$	2021 \$
<b><u>INCOME</u></b>			
Sales - Apparel and Merchandise		23,769	22,609
<b><u>LESS DIRECT PURCHASES</u></b>			
Opening Stock on Hand	1b, 3	27,004	37,281
Purchases		29,359	16,449
Less : Closing Stock on Hand	1b, 3	(28,000)	(27,004)
Cost of Goods Sold		28,363	26,726
<b>GROSS PROFIT</b>		(4,594)	(4,117)
<b><u>OTHER INCOME</u></b>			
Donations Received		6,967	2,426
Fundraising Income		27,202	14,531
Grants Received - Operating		23,005	34,306
Interest Received		189	619
Membership Fees		48,569	45,777
Rent Received		38,817	19,960
Sponsorship		1,818	2,036
Swim Series		-	7,901
Sundry Revenue		1,262	2,534
Profit on Sale of ATV		6,000	-
		153,829	130,090
		149,235	125,973

**PORT FAIRY SURF LIFE SAVING CLUB INC**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 \$	2021 \$
<b><u>LESS EXPENDITURE</u></b>			
Accounting and Audit Fees		3,049	2,800
Administrator Expenses		15,629	13,782
Advertising, Promotion & Sponsorship		1,798	523
Bad Debts		-	455
Depreciation/Amortisation	1(c)	41,408	40,426
Minor Equipment & Capital Purchases		11,312	11,397
Fundraising & Entertainment Expenses		4,871	8,570
Gas, Electricity, Heating		1,120	802
Insurance		5,708	4,950
Lease Expenses		900	-
Nipper Expenses		16,538	4,992
Rent		9,704	3,235
Registration, Subscriptions & Entry Fees		5,127	4,635
Repairs and Maintenance (incl. cleaning, waste removal)		11,755	11,385
Printing & Stationary		574	391
Loss on Sale of equipment		-	2,319
Sundry Expenses		6,771	6,752
Motor Vehicle Expenses & Travel		1,525	2,901
Telephone		926	1,081
Trophies & Presentations		728	736
Training & Coaching		1,286	9
		140,729	122,141
 Operating Surplus prior to Capital Grants		 8,506	 3,832
Add: Grants - Capital		30,866	25,000
 <b>Operating Surplus</b>		 <b>39,372</b>	 <b>28,832</b>
 Income Tax Expense	 1(a)	 -	 -
 <b>Profit After Income Tax and Interest Expenses</b>		 <b>39,372</b>	 <b>28,832</b>
 <b>Total Comprehensive Income Attributable to Members</b>		 <b>39,372</b>	 <b>28,832</b>

**PORT FAIRY SURF LIFE SAVING CLUB INC**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2022**

	Note	2022 \$	2021 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	2	302,928	251,938
Inventory	3	28,000	27,004
Trade and Other Receivables	4	1,682	1,387
		332,610	280,329
<b>NON CURRENT ASSETS</b>			
Property, Plant and Equipment	5	590,606	597,801
		590,606	597,801
<b>TOTAL ASSETS</b>		<b>923,216</b>	<b>878,130</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	6	7,106	1,392
		7,106	1,392
<b>TOTAL LIABILITIES</b>		<b>7,106</b>	<b>1,392</b>
<b>NET ASSETS</b>		<b>916,110</b>	<b>876,738</b>
<b>EQUITY</b>			
Retained Earnings		916,110	876,738
<b>TOTAL EQUITY</b>		<b>916,110</b>	<b>876,738</b>

**PORT FAIRY SURF LIFE SAVING CLUB INC**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2022**

	Notes	Retained Earnings \$	Total \$
<b>Balance at 1 July, 2020</b>		847,906	847,906
Profit attributable		28,832	28,832
Transfers to and from reserves	1 (i)	-	-
<b>Balance at 30 June, 2021</b>		<u>876,738</u>	<u>876,738</u>
Profit attributable		39,372	39,372
Transfers to and from reserves		-	-
<b>Balance at 30 June, 2022</b>		<u><u>916,110</u></u>	<u><u>916,110</u></u>

**PORT FAIRY SURF LIFE SAVING CLUB INC**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 \$	2021 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from operations		208,169	179,415
Payments to suppliers		(122,965)	(98,174)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>7</b>	<b>85,204</b>	<b>81,241</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Net payment for purchase of property, plant and equipment		(34,213)	(1,277)
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>		<b>(34,213)</b>	<b>(1,277)</b>
Net (decrease)/increase in cash held		50,990	79,964
Cash at beginning of year		251,938	171,974
<b>CASH AT END OF YEAR</b>	<b>2</b>	<b>302,928</b>	<b>251,938</b>

## PORT FAIRY SURF LIFE SAVING CLUB INC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover Port Fairy Surf Life Saving Club Inc. as an individual entity, incorporated and domiciled in Australia. Port Fairy Surf Life Saving Club Inc. is an Incorporated Association.

The financial statements were authorised for issue by the Board.

#### **Financial Reporting Framework**

The Board has prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependant on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Australian Charities and Not-for-profits Commission Act 2012 and the significant accounting policies disclosed below, which the Board has determined are appropriate to meet the needs of members.

#### **Statement of Compliance**

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Australian Charities and Not-for-profits Commission Act 2012, the basis of accounting specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of the following Accounting Standards:

AASB 101: Presentation of Financial Statements;

AASB 107: Cash Flow Statements;

AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors

AASB 1031: Materiality;

AASB 1054: Australian Additional Disclosures;

#### **Basis of Preparation**

The Financial report, except for the cash flow information, has been prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non current assets. The amounts presented in the financial statements have been rounded to the nearest dollar.

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

**PORT FAIRY SURF LIFE SAVING CLUB INC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**  
**Accounting Policies**

**(a) Income Tax**

The Board believe the club is exempt from the payment of tax under Section 50 of the Income Tax Assessment Act 1997.

**(b) Inventories**

Inventories have historically been brought to account at their lower of cost and net realisable value and accounted for in the Balance Sheet. An estimate only, of the Inventory held at 30 June, 2022 was made by the Committee.

**(c) Property, Plant and Equipment**

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

**Plant and equipment**

Plant and equipment are measured on the cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by the Club to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flow have been discounted to their present values in determining recoverable amounts.

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

**Depreciation**

Fixed assets are depreciated on a straight line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Plant and Equipment	10%-50%
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The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

**PORT FAIRY SURF LIFE SAVING CLUB INC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**(c) Property, Plant and Equipment (cont.)**

**Leasehold Improvements**

Leasehold Improvements represents the construction costs and improvements of the Buildings at 4 Hughes Avenue, Port Fairy. During 2017 the Club commenced improvements which were completed in June 2020. The ownership of the completed project will transfer to the owner of the building, Moyne Shire Council.

**(d) Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, are transferred to the Club, but not the legal ownership, are classified as finance leases and the asset is recorded in the Balance Sheet. Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the term of the lease.

Lease payments for operating leases where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

**(e) Impairment of Assets**

At each reporting date the Club reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

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

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

**(f) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings of current liabilities on the Statement of Financial Position.



**PORT FAIRY SURF LIFE SAVING CLUB INC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**(g) Revenue**

Revenue from the sale of goods is recognised upon the delivery of goods to the members or customers, Other income is recognised as revenue at the time the Club obtains control over the assets, this usually occurs upon receipt of the funds from the customer, fees and memberships received from members and sponsorship, fundraising and donations received from contributors. Interest revenue is recognised on a proportional basis taking into account the interest rate applicable to the financial asset. All revenue is stated net of the amount of GST.

**(h) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables are shown inclusive of GST.

**(i) Key Estimates**

**(i) Impairment**

The Board assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Association that may be indicative of impairment triggers.

**(ii) Plant & Equipment**

As indicated in note 1(c), the Association reviews the useful life of plant and equipment on an annual basis.

**(j) New Accounting Standards for Application in Future Periods**

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Association, together with an assessment of the potential impact of such pronouncements on the Association when adopted in future periods, are discussed below. Although the Board anticipates that the adoption of the following standards will impact the Association's financial statements, it is impracticable at this stage to provide a reasonable estimate of any such impact.

- AASB 16 : Leases (applicable to annual reporting periods beginning on or after 1 January, 2019);

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

**PORT FAIRY SURF LIFE SAVING CLUB INC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>2. CASH AND CASH EQUIVALENTS</b>		
Cash at Bank	159,883	109,055
Term Deposit	143,044	142,883
	<b>302,928</b>	<b>251,938</b>
	<b>302,928</b>	<b>251,938</b>

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 balance sheet as follows:

Cash and Cash Equivalents	<b>302,928</b>	<b>251,938</b>
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**3. INVENTORIES**

**Current**

Merchandise Inventory	1(b) <b>28,000</b>	<b>27,004</b>
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**4. TRADE AND OTHER RECEIVABLES**

**Current**

Trade debtors	100	115
GST Refundable	1,582	1,272
	<b>1,682</b>	<b>1,387</b>
	<b>1,682</b>	<b>1,387</b>

**PORT FAIRY SURF LIFE SAVING CLUB INC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

	<b>2022</b>	<b>2021</b>
	\$	\$
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>		
Leasehold Improvements - Club Rooms	559,796	559,796
Less: Accumulated Depreciation	(28,795)	(14,800)
	531,001	544,996
Plant, Equipment & Furniture at Cost	149,935	115,722
Less: Accumulated Depreciation	(90,330)	(62,917)
	59,605	52,805
<b>Total Property, Plant and Equipment</b>	<b>590,606</b>	<b>597,801</b>

Leasehold Improvements represents the construction costs and improvements of the Buildings at 4 Hughes Avenue, Port Fairy. During 2017 the Club commenced improvements which were completed in 2020. Amortisation of leasehold improvements commenced 10 June, 2020.

Fixed assets only represents plant & equipment purchased since 2017 due to the change in accounting basis in 2017 to accrual basis compared to previous years when equipment was expensed.

**6. TRADE AND OTHER PAYABLES**

**Current**

Trade Creditors	7,106	1,392
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**7. CASH FLOW INFORMATION**

**RECONCILIATION OF CASH FLOWS FROM OPERATIONS WITH PROFIT FROM**

<b>Profit after income tax</b>	39,372	28,832
<b>Cash flows excluded from profit attributable to operating activities:</b>		
Non-cash flows in profit		
Depreciation	41,408	40,426
Loss on Sale of Asset	-	2,319
Changes in assets and liabilities:		
(Increase)/decrease in Stock	(996)	10,277
(Increase)/decrease in Receivables	(295)	1,716
Increase/(decrease) in Payables	5,714	(2,329)
	<b>85,204</b>	<b>81,241</b>

**PORT FAIRY SURF LIFE SAVING CLUB INC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**8. CAPITAL AND LEASING COMMITMENTS**

The Club leases the clubrooms at 4 Hughes Avenue, Port Fairy from the Moyne Council. The sub-lease was for 3 years to 7 October, 2018 with a further three terms of three years each.

**9. RELATED PARTY TRANSACTIONS:**

During the year the Port Fairy Surf Life Saving Club Inc. purchased goods and services from organisations associated with the following board members (inclusive of GST):

Abbie Artis - Metalpro \$1,503.91

**10. EVENTS AFTER THE BALANCE SHEET DATE**

Subject to the impact that may result from the Covid-19 pandemic, including, but not limited to the organisation's operations and financial position in 2022 and future years, the Board is not aware of any events which have occurred subsequent to balance date which would materially affect the financial statements prepared for the year ended at 30 June, 2021.

**11. CONTINGENT LIABILITIES**

The Board is not aware of any contingent liabilities as at 30 June, 2022 (2021 - nil).

**12. Entity Details**

The principal place of business is:  
4 Hughes Avenue  
PO Box 134  
Port Fairy  
VIC 3284

**PORT FAIRY SURF LIFE SAVING CLUB INC.**

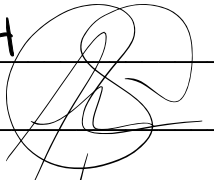
**STATEMENT BY MEMBERS OF THE BOARD**


The Board has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Board the financial report as set out on pages 1 to 12:

1. Comply with Australian Accounting Standards and give a true and fair view of the financial position of Port Fairy Surf Life Saving Club Inc. as at 30 June 2022 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Port Fairy Surf Life Saving Club Inc will be able to pay all of its debts, as and when they become due and payable.

This Statement is made in accordance with the resolution of the Board and is signed for and on behalf of the Board and is signed in accordance with subs 60.15(2) of the Australian Charities and not-for-profits Commission Regulation 2013.

**Chairman:** ADAM MCCOSH  
Print  
  
Signature

**Committee Member:** JAMES KELLY  
Print  
  
Signature

Dated this 7th day of September, 2022

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PORT FAIRY SURF LIFE SAVING CLUB INC

### Report on the Audit of the Financial Report

We have Audited the financial report of Port Fairy Surf Club Inc., which comprises the statement of financial position as at 30 June, 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion, except for the effects of the matter described in the Basis of Qualified Opinion section our report, the accompanying financial report of Port Fairy Surf Life Saving Club Inc., is in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- a. giving a true and fair view of the registered entity's financial position as at 30 June, 2022 and of its financial performance for the year then ended; and
- b. complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### Basis for Qualified Opinion

Income - As it is common for Associations of this type, it is not practicable for the Board to maintain an effective system of internal control over all sources of income prior to its receipt, nor have we been provided with adequate assurance that all financial transactions have been recorded through records provided to us. Accordingly, our Audit in relation to income was limited to amounts recorded in the accounting records of the entity.

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 registered entity in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and 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.

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

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Our Offices:

Warrnambool  
Casterton

Colac  
Mortlake

Hamilton  
Port Fairy

Mount Gambier  
Terang

Camperdown  
Timboon

### **Emphasis of Matter - Basis of Accounting**

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the registered entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### **Responsibility of the Responsible Entities [and Those Charged with Governance] for the Financial Report**

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act [and the needs of the members]. The responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a 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 responsible entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the registered entity 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 the financial report.

As part of an Audit in accordance with 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 registered entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of responsible entities' 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 registered entity'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 registered entity 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 those charged with governance 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.



**FELICITY MELICAN  
PRINCIPAL**

Dated this 7 September, 2022

257 Timor Street  
Warrnambool VIC 3280