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

FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2023

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

FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH 2023

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

DIRECTORS REPORT

Your directors submit the financial report of Fremantle Surf Lifesaving Club Inc for the year ended 31 March 2023.

Board members

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

Jack Dowie - President
Tracey Irving - Director of Surf Sports
Jette Oksis – Director of Administration
Liam Burke – Director of Lifesaving & Education
Henry Smith – Director of Finance
Marcin Gabriel – Director of Development (resigned 24.6.2022)
Kirsty Moore – Director of Development (appointed 24.6.2022)
Jay Morgan – Club Captain (resigned 24.06.2022)
James Birkmanis – Club Captain (appointed 24.6.2022, resigned 22.09.2022)
Matt Elliott – Club Captain (appointed 21.10.2022)

Principal activities

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

Significant changes

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

Operating result

The profit from ordinary activities amounted to \$7,865 (2022: \$150,304).

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



President



Director of Finance

Dated: 31 May 2023

Perth, Western Australia

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

INCOME & EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	\$	\$
Income		
Sales – bar, canteen & uniform shop	87,408	89,644
Membership fees	195,400	232,988
Donations	60,458	76,995
Education	5,435	9,952
Sponsorship	94,152	94,048
Grants received	22,000	33,000
Government Stimulus	-	-
Lifesaving services	8,703	2,857
Interest received	1,376	785
Camp fees	13,022	13,715
Club rental & hire income	26,053	46,478
Sub lease expense recoupment	27,757	25,503
Subsidies income	1,818	-
Social & fundraising	24,260	26,737
Surf sports related income	30,731	11,718
Prepaid building lease income	141,914	141,914
Profit on sale of equipment	7,473	1,768
	<u>747,960</u>	<u>808,102</u>
Expenses		
COGS – Bar, canteen, uniform shop	80,211	79,988
Administration & payroll expenses	153,450	146,922
Lifesaving & Education expenses	7,449	13,729
Juniors & Youth expenses	18,252	8,306
Vehicle and equipment expenses	26,541	33,965
Surf sports related expenses	61,072	39,918
Direct costs membership fees	21,128	25,946
Depreciation - building	93,520	93,520
Depreciation – other	46,045	46,966
Social & fundraising	19,722	11,303
Marketing	2,834	4,738
Building related expenses	205,688	150,666
Pool hire – proficiency swim	1,498	1,831
Other expenses	2,685	-
	<u>740,095</u>	<u>657,798</u>
Total expenses	<u>740,095</u>	<u>657,798</u>
Surplus (loss) for the year	<u>7,865</u>	<u>150,304</u>

The accompanying notes form part of these financial statements

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	2023 \$	2022 \$
CURRENT ASSETS			
Cash & cash equivalents	3	440,653	570,326
Accounts receivable	4	52,236	35,495
Inventories	5	86,928	90,440
Other receivables	6	3,409	31,288
TOTAL CURRENT ASSETS		583,226	727,549
NON-CURRENT ASSETS			
Property, plant & equipment	7	2,952,313	2,994,967
TOTAL NON-CURRENT ASSETS		2,952,313	2,994,967
TOTAL ASSETS		3,535,539	3,722,516
CURRENT LIABILITIES			
Accounts payable and other payables	8	70,050	120,903
Employee provisions	9	15,460	17,535
TOTAL CURRENT LIABILITIES		85,510	138,438
NON-CURRENT LIABILITIES			
Other liabilities	10	993,397	1,135,311
TOTAL NON-CURRENT LIABILITIES		993,397	1,135,311
TOTAL LIABILITIES		1,078,907	1,273,749
NET ASSETS		2,456,632	2,448,767
MEMBERS' FUNDS			
Retained surplus	11	2,456,632	2,448,767
TOTAL MEMBERS' FUNDS		2,456,632	2,448,767

31 May 2023

The accompanying notes form part of these financial statements

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

STATEMENT OF CHANGES IN EQUITY
AS AT 31 MARCH 2023

	Retained Surplus \$	Total \$
Balance at 1 April 2021	2,302,590	2,302,590
Surplus for year	150,304	150,304
Prior year adjustment	(4,127)	(4,127)
	<hr/>	<hr/>
Balance at 31 March 2022	2,448,767	2,448,767
	<hr/>	<hr/>
Balance at 1 April 2022	2,448,767	2,448,767
Surplus (Loss) for year	7,865	7,865
	<hr/>	<hr/>
Balance at 31 March 2023	2,456,632	2,456,632
	<hr/>	<hr/>

The accompanying notes form part of these financial statements

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	\$	\$
Cash from operating activities		
Receipts from members, sponsors and customers	595,929	680,508
Payments to suppliers and employees	(630,067)	(515,375)
Interest received	1,376	785
	<hr/>	<hr/>
Net cash provided by operating activities	(32,762)	165,918
	<hr/>	<hr/>
Cash flows from investing activities		
Net (purchase) sale of plant & equipment	(96,911)	(27,076)
	<hr/>	<hr/>
Net cash used in investing activities	(96,911)	(27,076)
	<hr/>	<hr/>
Net cash (decrease) in cash held	(129,673)	138,842
Cash at beginning of financial year	570,326	431,484
	<hr/>	<hr/>
Cash at end of financial year	440,653	570,326
	<hr/>	<hr/>

The accompanying notes form part of these financial statements

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

Note 1: Statement of significant accounting policies

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

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

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

(a) Income tax

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

(b) Property, plant and equipment

Property

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

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

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

Plant and equipment

Plant and equipment are measured on the cost basis.

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

FREMANTLE SURFLIFE SAVING CLUB INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

Note 1: Statement of significant accounting policies (continued)

Depreciation

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

(c) Cash on hand

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

(d) Accounts receivable and other debtors

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

(e) Revenue and other income

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

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

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

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

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

(f) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australia Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the assets and liabilities statement.

(g) Accounts payable and other payables

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

FREMANTLE SURFLIFE SAVING CLUB INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

Note 1: Statement of significant accounting policies (continued)

(h) Employee provisions

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

(i) Leases

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

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

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

(j) Impairment of assets

At the end of each reporting period, the committee reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in the income and expenditure statement.

(k) Inventories on hand

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

FREMANTLE SURFLIFE SAVING CLUB INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	\$	\$
Note 3: Cash at bank		
Cheque account	14,781	250,044
Cash management account	164,412	59,196
Credit card account	106	994
Prime rescue account	5,153	5,153
Term deposit – Building fund	165,195	164,477
Term deposit – General reserves	90,616	90,222
Cash floats	390	240
	<u>440,653</u>	<u>570,326</u>
Note 4: Accounts receivable		
Trade debtors	52,236	35,495
	<u>52,236</u>	<u>35,495</u>
Note 5: Inventories		
Bar	2,925	2,903
Canteen	100	154
Uniform shop	82,703	85,483
FMSLSC number plates	1,200	1,900
	<u>86,928</u>	<u>90,440</u>
Note 6: Other receivables		
GST refund due	1,909	8,928
Prepayments	1,500	14,360
Accrued income	-	8,000
	<u>3,409</u>	<u>31,288</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

	2023 \$	2022 \$
Note 7: Property, plant & equipment		
Building at cost	3,740,822	3,740,822
Less accumulated depreciation	1,027,565	934,045
	2,713,257	2,806,777
Plant & equipment at cost	815,368	739,106
Less accumulated depreciation	576,312	550,916
	239,056	188,190
Total property, plant and equipment	2,952,313	2,994,967

(a) Movements in carrying amounts

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

	Buildings \$	Plant & equipment \$	Total \$
Balance at the beginning of the year	2,806,777	188,190	2,994,967
Additions	-	97,475	97,475
Disposal	-	(564)	(564)
Depreciation expense	(93,520)	(46,045)	(139,565)
	2,713,257	239,056	2,952,313
		2023 \$	2022 \$

Note 8: Accounts payable and other creditors

Trade creditors	56,180	115,208
PAYGW	10,682	3,966
Superannuation payable	2,906	1,446
Locker bonds	282	283
	70,050	120,903
	70,050	120,903

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

	2023 \$	2022 \$
Note 9: Employee provisions		
Employee leave provisions	15,460	17,535
	<u>15,460</u>	<u>17,535</u>
Note 10: Other liabilities		
Building lease prepayment	2,554,451	2,554,451
Less accumulated amortisation of lease prepayment	1,561,054	1,419,140
	<u>993,397</u>	<u>1,135,311</u>
Total lease liability	<u>993,397</u>	<u>1,135,311</u>

The building lease prepayment relates to the building cost funded by the builder at the time of construction of the club building. In exchange for this the builder was granted a twenty-year lease entitlement on the upstairs café section of the building. The prepayment of building lease is being amortised over eighteen years i.e. the period from the time construction was completed to the end of the lease period (2030).

	2023 \$	2022 \$
Note 11: Retained surplus		
Surplus at the beginning of the financial year	2,448,767	2,302,590
Current year surplus (deficit)	7,865	150,304
Prior year adjustment	-	(4,127)
	<u>2,456,632</u>	<u>2,448,767</u>
Retained surplus at the end of the financial year	<u>2,456,632</u>	<u>2,448,767</u>

Note 12: Cash flow information

Reconciliation of cash flows from operating activities with		
Net current year surplus	7,865	150,304
Non cash flows in current year surplus		
Depreciation	139,565	140,486
Amortisation of prepaid building lease	(141,914)	(141,914)
Changes in assets and liabilities		
(Increase) / decrease in accounts & other receivable	11,138	2,136
(Increase) / decrease in inventory	3,512	(39,357)
Increase / (decrease) in accounts payable	(50,853)	58,451
Increase / (decrease) in employee provisions	(2,075)	(61)
Prior period adjustment	-	(4,127)
	<u>(32,762)</u>	<u>165,918</u>
Net cash flow from operating activities	<u>(32,762)</u>	<u>165,918</u>

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

DIRECTORS' STATEMENT

In accordance with a resolution of the board of Fremantle Surf Life Saving Club Inc, the members of the board declare that the financial statements as set out on pages 1 to 11:

1. Present a true and fair view of the financial position of Fremantle Surf Life Saving Club Inc as at 31 March 2023 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial report and the requirements of the Associations Incorporations Act Western Australia.
2. At the dated of this statement that are reasonable grounds to believe that Fremantle Surf Lifesaving Club Inc will be able to pay its debts as and when they fall due.

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



President



Director of Finance

Dated: 31 May 2023

Perth, Western Australia



Francis A Jones

Where people count.

Fremantle Surf Life Saving Club Inc

Independent Audit Report to the members of Fremantle Surf Life Saving Club Inc

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the accompanying financial report, being a special purpose financial report of Fremantle Surf Life Saving Club Inc (the Association), which comprises the statement of assets and liabilities as at 31 March 2023, the statement of profit or loss, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by members of the committee.

In our opinion, except for effects for the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial report of the Association for the year ended 31 March 2023 is prepared, in all material respects, in accordance with Associations Incorporation Act (WA) 2015.

Basis for Qualified Opinion

As is common for Associations of this type, it may not be practicable for Fremantle Surf Life Saving Club Inc to maintain an effective system of internal control over receipts for bar sales until their initial entry in the accounting records. Accordingly, our audit in relation to bar sales was limited to amounts recorded and sighted on the bank statements.

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 auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (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.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report is prepared to assist the Association to fulfil their financial reporting responsibilities under the Associations Act. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Association and should not be distributed to or used by parties other than the Association. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with Associations Incorporation Act (WA) 2015, and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management 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 management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.



Francis A Jones

Where people count.

Fremantle Surf Life Saving Club Inc

Independent Audit Report to the members of Fremantle Surf Life Saving Club Inc

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 management.
- Conclude on the appropriateness of the management'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 reporter, 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 management 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.

Daniel Papaphotis
Registered Company Auditor
#410503
154 High Street
Fremantle WA 6160

Date: 31st May 2023