

SURF LIFE SAVING
FOUNDATION



The Surf Life Saving Foundation

Annual Report 2019–20



Page Intentionally Blank

Table of Contents

Corporate Information..... 4

Statement of profit or loss and other comprehensive income 5

Statement of financial position..... 6

Statement of changes in foundation funds 7

Statement of cash flows 8

Notes to and forming part of the financial report..... 9

Statement by members of the board of directors 23

Declaration by chairman under the
Charitable Fundraising Act 1991 (NSW)..... 24

Independent auditor’s report to the members
of The Surf Life Saving Foundation 25

Contact Us 28

Corporate Information

The Surf Life Saving Foundation

(A company limited by guarantee and registered with the ACNC)

Corporate information

ACN: 159 849 591

ABN: 47 945 812 553

Directors

The following directors were in office at the date of this report:

Darrin Bragg (Chair)

Christine Julie Hopton OAM

Graham Bruce Ford AM

Adam Michael Hodge – from November 2019

Peter Brian George AM – until November 2019

Company Secretary

Ian Fraser Kelsham Fullagar

Registered office and principal place of business

190 Montpelier Road

Bowen Hills, QLD 4006

Banker

Westpac Banking Corporation

Auditor

BDO Audit Pty Ltd

The Surf Life Saving Foundation
Statement of profit or loss and other comprehensive income for the year ended 30 June 2020

	Note	2020 \$	2019 \$
Revenue from continuing operations			
Philanthropic programs		9,479,960	10,586,182
Commercial programs		20,674,173	22,878,902
Interest Received		98,507	224,013
Other Income		105,372	-
Total revenue and other income		30,358,012	33,689,097
Expenditure from continuing operations			
	2		
Fundraising and appeal costs	3(a)	3,871,053	5,472,557
Commercial programs	3(b)	16,848,895	19,212,778
Management and administration expenses	3(c)	2,670,900	2,975,724
Grants seeking unit		446,639	425,541
Total expenditure		23,837,487	28,086,600
Results before Distributions		6,520,525	5,602,497
Distributions to Surf Life Saving entities		6,622,803	4,809,944
(Deficit) / surplus from continuing operations before income tax		(102,278)	792,553
Income tax expense relating to ordinary activities	1 (d)	-	-
Net (deficit) / surplus from continuing operations after income tax		(102,278)	792,553
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		(102,278)	792,553

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

The Surf Life Saving Foundation
Statement of financial position as at 30 June 2020

	Note	2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	11(a)	8,079,423	6,157,723
Trade and other receivables	4	310,469	288,996
Prepayments		231,090	185,865
Asset available for sale		501,082	-
Commercial prize bank		4,546,331	5,045,442
Total current assets		<u>13,668,395</u>	<u>11,678,026</u>
Non-current assets			
Plant & equipment	5	214,641	372,595
Intangible assets	6	146,547	81,377
Right of use asset	7	1,141,789	-
Security deposits		196,240	196,240
Total non-current assets		<u>1,699,217</u>	<u>650,212</u>
Total assets		15,367,612	12,328,238
Liabilities			
Current liabilities			
Trade and other payables	8	2,749,903	878,471
Provisions	9	151,896	183,977
Revenue in advance		1,645,505	1,494,063
Lease Liabilities	10	299,615	-
Other liabilities		53,043	66,744
Total current liabilities		<u>4,899,962</u>	<u>2,623,255</u>
Non-current liabilities			
Lease Liabilities	10	871,705	-
Provisions	9	72,468	79,228
Total non-current liabilities		<u>944,173</u>	<u>79,228</u>
Total liabilities		5,844,135	2,702,483
Net assets		<u>9,523,477</u>	<u>9,625,755</u>
Funds			
Accumulated funds		9,523,477	9,625,755
Total funds		<u>9,523,477</u>	<u>9,625,755</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

The Surf Life Saving Foundation
Statement of changes in foundation funds for the year ended 30 June 2020

	2020	2019
	\$	\$
Accumulated funds		
Balance at beginning of year	9,625,755	8,833,202
(Deficit) / surplus attributable to members	(102,278)	792,553
Other Comprehensive Income	-	-
Balance at end of year	<u>9,523,477</u>	<u>9,625,755</u>

The above statement of changes in Foundation funds should be read in conjunction with the accompanying notes.

The Surf Life Saving Foundation
Statement of cash flows for the year ended 30 June 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts in course of operations		31,976,908	35,377,455
Payments in course of operations		(24,846,182)	(27,650,572)
Interest received		98,507	224,013
Interest paid on leases		(13,716)	-
Distributions paid		(4,908,514)	(5,917,019)
Net cash inflows from operating activities	11(b)	<u>2,307,003</u>	<u>2,033,877</u>
Cash flows from investing activities			
Proceeds for property, plant and equipment and intangibles		8,409	-
Payments for property, plant and equipment and intangibles		(111,846)	(228,804)
Net cash used in investing activities		<u>(103,437)</u>	<u>(228,804)</u>
Cash flows from financing activities			
Principal repayment on lease liabilities		(281,866)	-
Repayment of loans advanced from related entities		-	(3,440,694)
Net cash (outflows)/inflows from financing activities		<u>(281,866)</u>	<u>(3,440,694)</u>
Net (decrease)/increase in cash held		1,921,700	(1,635,621)
Cash at the beginning of the financial year		6,157,723	7,793,344
Cash at the end of the financial year	11(a)	<u><u>8,079,423</u></u>	<u><u>6,157,723</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

The Surf Life Saving Foundation
Notes to and forming part of the financial report for the year ended 30 June 2020

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Special purpose financial report

In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial reports.

This is a special purpose financial report that has been prepared for the purpose of complying with the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act). The financial report includes disclosures to satisfy requirements under the Charitable Fundraising Act 1991 (NSW) and related Charitable Fundraising Authority Conditions. This financial report should not be used for any purposes other than those stated in this paragraph.

The financial report has been prepared in accordance with Australian Accounting Standards (including Australian Interpretations) adopted by the Australian Accounting Standards Board and the ACNC Act. It contains the disclosures that are mandatory under the Accounting Standards and those considered necessary by the directors to meet the needs of the members. The Foundation is a not-for-profit entity for the purpose of preparing the financial statements.

The financial report has been prepared in accordance with the requirements of the ACNC Act and the following Australian Accounting Standards:

- AASB 101 Presentation of Financial Statements
- AASB 107 Statement of Cash Flows
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 110 Events After the End of the Reporting Period
- AASB 1031 Materiality
- AASB 1048 Interpretation of Standards
- AASB 1054 Australian Additional Disclosures,

as appropriate for not-for-profit oriented entities.

(ii) New, revised or amending accounting standards and interpretations adopted

AASB 15 Revenue from contracts with customers and AASB 1058 Income of Not-for-profit entities

The Foundation adopted AASB 15 and AASB 1058 using the modified retrospective method of transition, with the date of initial application of 1 July 2019. In accordance with the provisions of this transition approach, the Foundation recognised the cumulative effect of any adjustment required in applying these new standards as an adjustment to opening accumulated funds at the date of initial application. Consequently, the comparative information presented has not been restated and continues to be reported under the previous revenue standards.

The Surf Life Saving Foundation
Notes to and forming part of the financial report for the year ended 30 June 2020

1 Summary of significant accounting policies (continued)

Overview of AASB 15 and AASB 1058

Under the new revenue recognition model applicable to not-for-profit entities, an entity shall first determine whether an enforceable agreement exists and, whether the promises to transfer goods or services to the customer are 'sufficiently specific'.

If an enforceable agreement exists and the promises are 'sufficiently specific' (to a transaction or part of a transaction), the Foundation applies the general AASB 15 principles to determine the appropriate revenue recognition. If these criteria are not met, the Foundation shall consider whether AASB 1058 applies.

The application of AASB 15 and AASB 1058 did not have a material impact on the financial performance or position of the Foundation as at 30 June 2020 or on opening accumulated funds as at 1 July 2019. Refer to the accounting policy for revenue recognition disclosed at 1 (b) for further details.

AASB 16 Leases

The Foundation has adopted AASB 16 under the modified retrospective approach, with the date of initial application of 1 July 2019. Under the modified approach, the Foundation has elected to measure the related right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application.

In accordance with the provisions of this transition approach, the Foundation recognised the cumulative effect of applying this new standard as a right-of-use asset and an equal lease liability at the date of initial application. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on leases.

The impact on transition to AASB 16 is summarised below:

	1 July 2019 \$
Right-of-use assets – property	1,453,186
Lease liabilities	(1,453,186)
	<u><u>-</u></u>

The following table reconciles the minimum lease commitments disclosed in the Foundation's 30 June 2019 annual financial statements to the amount of lease liabilities recognised on 1 July 2019:

	1 July 2019 \$
Minimum operating lease commitment at 30 June 2019	675,100
Less: short-term leases not recognised under AASB 16	(173,455)
Less: low value leases not recognised under AASB 16	-
Plus: effect of extension options reasonably certain to be exercised	988,625
Undiscounted lease payments	<u>1,490,270</u>
Initial application/discount	<u>(37,084)</u>
Lease liabilities recognised at 1 July 2019	<u><u>1,453,186</u></u>

The Surf Life Saving Foundation
Notes to and forming part of the financial report for the year ended 30 June 2020

1 Summary of significant accounting policies (continued)

Historical cost conventions

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Foundation's accounting policies. There are no material critical accounting estimates used in the preparation of the financial statements.

(b) Revenue recognition

As disclosed above, the Foundation has adopted AASB 15 and AASB 1058 from 1 July 2019 with the transition exercise on adopting these new standards not resulting in an adjustment to the opening balance of accumulated funds on initial application due to the Foundation's revenue recognition policies adopted being largely in line with those previously applied by the Foundation.

The Foundation's revenues are derived primarily from philanthropic and commercial fundraising activities along with the receipt of tied and general donations received in the ordinary course of the Foundation's operations. Revenue from these activities is recognised as the performance obligations are satisfied, or in circumstances whereby performance obligations are not sufficiently specific or enforceable, revenue is recognised immediately on receipt or at the point in time when the right to receive payment is established.

Specifically for philanthropic activities, revenue is recognised under AASB 1058 when received, unless there are specific performance conditions attached to the amount received, in which case, revenue is deferred until such time as the performance conditions have been met.

Commercial income is recognised under AASB 15 at a point in time when the lottery has been drawn as this correlates directly with when the performance obligation has been satisfied. Receipts from lotteries not drawn at year end are recognised as income in advance.

All other revenue / income is recognised on receipt or when the right to receive payment is established.

(c) Distributions recognition

Distributions represent amounts distributed to Surf Life Saving entities. Distributions are recognised during the reporting period when the amount can be reliably measured and is appropriately authorised.

(d) Taxation

The Foundation is exempt from income tax.

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The Surf Life Saving Foundation

Notes to and forming part of the financial report for the year ended 30 June 2020

1 Summary of significant accounting policies (continued)

(d) Taxation (continued)

The gross amount of GST recoverable from, and payable to, the taxation authority is included as part of receivables and payables in the Statement of Financial Position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(e) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Trade and other receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Foundation has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent invoicing experience and historical collection rates.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(g) Fundraising Prize Bank

The Fundraising Prize Bank consists of property purchases, and other prizes to be offered in future lotteries. Other costs, that are not associated with prizes, which relate to future lotteries, are expensed when incurred.

(h) Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any impairment losses. Depreciation is provided on all plant and equipment. Depreciable assets under \$1,000 are immediately expensed. The depreciable amount of plant and equipment over \$1,000 is calculated using the straight line method to allocate their cost, net of their residual values, over the estimated useful lives as follows:

Class of Asset	Depreciation Rate/Useful Life
Plant and equipment	2.5 – 5.0 years
Leasehold Improvements	1.5 – 6.5 years

(i) Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. An impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount. Impairment losses, if any, are recognised in the Statement of Profit or Loss and Other Comprehensive Income as a separate line item.

The Surf Life Saving Foundation
Notes to and forming part of the financial report for the year ended 30 June 2020

1 Summary of significant accounting policies (continued)

(ii) Derecognition and disposal

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(i) Intangibles

Intangibles are stated at cost less accumulated amortisation and any impairment losses.

Amortisation is provided on all life intangible assets that have a finite life. The amortisation amount of intangible assets is amortised on an appropriate basis over the useful lives of the assets to the Foundation commencing from the time the asset is held ready for use. The amortisation methods and rates/useful lives used for each class of asset are:

Class of Asset	Depreciation Rate/Useful Life
Computer Software	4.0 years
Websites	2.0 years

(i) Impairment

The carrying values of intangibles are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. The recoverable amount of intangibles is the higher of fair value less costs to sell and value in use. An impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount. Impairment losses, if any, are recognised in the Statement of Profit or Loss and Other Comprehensive Income as a separate line item.

(ii) Derecognition and disposal

An item of intangible assets is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss and Other Comprehensive Income in the year the asset is derecognised.

(j) Assets held for sale

Assets deemed available for sale are held at the lower of the sale price less any costs attributable to the sale and the original carrying value. Any loss on is recognised in Statement of Profit or Loss and Other Comprehensive Income in that year with any profit on disposal recognised in the period in which the asset is sold.

The Surf Life Saving Foundation
Notes to and forming part of the financial report for the year ended 30 June 2020

1 Summary of significant accounting policies (continued)

(k) Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Foundation. Trade accounts payable are normally settled within 7-30 days.

(l) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables. Management expects to pay annual leave balances as at year end in the next 12 months.

(ii) Long-term employee benefit obligations

The liability for long service leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in non-current liabilities provided there is an unconditional right to defer settlement of the liability for more than 12 months. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of government bonds with terms and currencies that match, as close as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in assumptions are recognised in the statement of profit or loss and other comprehensive income.

The Surf Life Saving Foundation

Notes to and forming part of the financial report for the year ended 30 June 2020

1 Summary of significant accounting policies (continued)

(m) Right-of-use assets and lease liabilities

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the Foundation under residual value guarantees
- The exercise price of a purchase option if the Foundation is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the Foundation exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Foundation, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance costs.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Foundation is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office equipment.

Judgements and Estimates

Incremental borrowing rate

The Foundation is not able to determine the interest rate implicit in the lease, therefore management have determined the incremental borrowing rate taking into consideration entity and asset specific factors relevant to each lease.

The Surf Life Saving Foundation
Notes to and forming part of the financial report for the year ended 30 June 2020

	2020	2019
	\$	\$
Note 2: Expenditure from continuing operations		
(Deficit) / surplus before income tax includes the following specific expenses:		
Employee Benefits	3,434,444	4,241,818
Depreciation and amortisation		
- Plant and equipment	166,384	160,579
- Intangible assets	34,628	128,746
- Right of use assets	311,397	-
Loss on Sale of Plant & Equipment	500	557
Amount received or due and receivable by BDO for:		
- audit or review	43,500	46,714
- other services	31,159	25,150
Note 3: Philanthropic and commercial program expenditure		
a) Fundraising and appeal costs		
Fundraising	917,237	1,069,289
Community safety and awareness	1,254,565	1,810,552
Building advocacy and our supporter base	1,650,226	2,436,779
Revenue generation programs for other SLS entities	49,025	155,937
	<u>3,871,053</u>	<u>5,472,557</u>
b) Commercial programs		
Prizes & Fundraising	12,957,969	14,068,226
Community safety and awareness	3,428,621	4,373,058
Building advocacy and our supporter base	462,305	771,494
	<u>16,848,895</u>	<u>19,212,778</u>
c) Management and administration expenses		
Philanthropic	817,680	778,956
Commercial and other	1,853,220	2,196,768
	<u>2,670,900</u>	<u>2,975,724</u>

The Surf Life Saving Foundation
Notes to and forming part of the financial report for the year ended 30 June 2020

	2020	2019
	\$	\$
Note 4: Trade and other receivables		
Current		
Other receivables	310,469	288,996
	<u>310,469</u>	<u>288,996</u>

Note 5: Plant & equipment

(a)

Plant and equipment – at cost	1,005,898	1,156,495
Less: accumulated depreciation	<u>(791,257)</u>	<u>(783,900)</u>
Net book amount	<u>214,641</u>	<u>372,595</u>

(b) Reconciliations

Reconciliations of the carrying amounts of plant and equipment at the beginning and end of the current and previous financial year

Plant and Equipment		
Carrying amount at beginning of year	372,595	359,446
Additions	11,680	174,285
Disposals	(3,250)	(557)
Depreciation expense	<u>(166,384)</u>	<u>(160,579)</u>
Carrying amount at end of year	<u>214,641</u>	<u>372,595</u>

Note 6: Intangibles

(a)

Intangible assets – at cost	653,070	560,038
Less: accumulated amortisation	<u>(506,523)</u>	<u>(478,661)</u>
Net book amount	<u>146,547</u>	<u>81,377</u>

(b) Reconciliations

Reconciliations of the carrying amounts of intangible assets at the beginning and end of the current and previous financial year

Intangible assets		
Carrying amount at beginning of year	81,377	155,604
Additions	166	-
Capital works in progress	100,000	54,519
Disposals	(368)	-
Amortisation expense	<u>(34,628)</u>	<u>(128,746)</u>
Carrying amount at end of year	<u>146,547</u>	<u>81,377</u>

The Surf Life Saving Foundation
Notes to and forming part of the financial report for the year ended 30 June 2020

	2020	1 July 2019
	\$	\$
Note 7: Right of use assets		
(a)		
Property – at cost	1,453,186	1,453,186
Less: accumulated depreciation	(311,397)	-
Net book amount	<u>1,141,789</u>	<u>1,453,186</u>

(b) Reconciliations

Reconciliations of the carrying amounts of right of use assets at the beginning and end of the current and previous financial year

	2020	2019
	\$	\$
Right of use assets		
Carrying amount at 1 July 2019	1,453,186	-
Additions	-	-
Disposals	-	-
Depreciation expense	(311,397)	-
Carrying amount at end of year	<u>1,141,789</u>	<u>-</u>

Asset is right to use building premises created under adoption of AASB 16 on 1 July 2019

Note 8: Trade and other payables

Trade payables	695,418	614,482
Other payables	-	-
Accrued expenses	2,054,485	263,989
	<u>2,749,903</u>	<u>878,471</u>

Note 9: Provisions

Current		
Annual leave employee entitlement	130,949	164,547
Long service leave employee entitlement	20,947	19,430
	<u>151,896</u>	<u>183,977</u>
Non-current		
Long service leave employee entitlement	72,468	79,228
	<u>72,468</u>	<u>79,228</u>

The Surf Life Saving Foundation
Notes to and forming part of the financial report for the year ended 30 June 2020

	2020	1 July 2019
	\$	\$
Note 10: Lease liabilities		
Current	299,615	281,866
Non-current	871,705	1,171,320
	<u>1,171,320</u>	<u>1,453,186</u>

Expenses incurred include the following amounts specific to leases:

Interest expense	13,716	-
Depreciation	311,397	-
Low value and short-term leases	50,274	
Total cash outflow for leases	345,856	-

	2020	2019
	\$	\$

Note 11: Cash flow information

(a) Reconciliation of Cash

Petty cash	400	400
Cash at bank	2,921,288	1,688,551
Interest bearing deposits	5,157,735	4,468,772
Closing Cash and Cash Equivalents	<u>8,079,423</u>	<u>6,157,723</u>

(b) Reconciliation of (deficit) / surplus from continuing operations after tax to net cash inflows from operating activities

Operating (deficit) / surplus from continuing operations after tax	(102,278)	792,553
Non-cash flows in profit from continuing operations:		
- Depreciation/amortisation	512,409	289,325
- (Profit)/Loss on disposal of plant and equipment	(4,791)	557
- Interest on loan	-	130,652
Decrease/(Increase) in:		
- Trade debtors	(21,473)	22,789
- Prepayments	(45,225)	(108,550)
- Fund Raising Bank	499,111	2,082,575
- Assets available for sale	(501,082)	-
(Decrease)/increase in:		
- Accounts payable and other liabilities	1,857,731	(1,214,781)
- Revenue in advance	151,442	14,728
- Provision for employee entitlements	(38,841)	24,029
Net cash inflows from operating activities	<u>2,307,003</u>	<u>2,033,877</u>

The Surf Life Saving Foundation

Notes to and forming part of the financial report for the year ended 30 June 2020

Note 12: Events occurring after the reporting period

Whilst the Coronavirus (COVID-19) pandemic is ongoing, and to date has had limited financial impact on the Foundation, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. Notwithstanding the current circumstances, the Directors are satisfied that the Foundation has sufficient cash reserves to meet its liabilities as and when they fall due for a period of at least twelve months following the date of authorisation of the financial report.

Other than the above, there are no material events occurring after the reporting period that require disclosure.

Note 13: Contingent liabilities

There are no material contingent liabilities that require disclosure. (2019: nil)

Note 14: Forward commitments

	2020	2019
	\$	\$
<i>Lease commitments - operating</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	-	388,960
One to five years	-	286,140
More than five years	-	-
	<u>-</u>	<u>675,100</u>

As disclosed in note 1(a), the Foundation adopted AASB 16 on 1 July 2019 and therefore all operating lease liabilities are now capitalised in the statement of financial position (other than short-term leases with terms of 12 months or less and leases of low-value assets).

Land and Prize commitments - operating

Committed at the reporting date but not recognised as liabilities, payable:

Within one year	86,994	2,921,400
One to five years	3,274,965	993,465
More than five years	-	-
	<u>3,316,959</u>	<u>3,914,865</u>

The Foundation entered into land and property purchase contracts which had not settled as at reporting date.

The Surf Life Saving Foundation
Notes to and forming part of the financial report for the year ended 30 June 2020

Note 15: Corporate trustee

Right of Indemnity

The Foundation acts as the Trustee of the Foundation Perpetuity Trust (Trust). The Foundation has a right of indemnity out of the assets of the Trust in respect of the liabilities incurred by the Foundation as trustee. Based on the valuation of the assets in the Statement of Financial Position of the Trust as at 30 June 2020, sufficient Trust assets existed to fully indemnify the Foundation against liabilities incurred by the Foundation.

NOTE 16: Related party disclosure

Name	Type	Place of Incorporation	Ownership Interest	
			2020	2019
Surf Life Saving Australia Limited	Immediate and ultimate Australian parent entity	Australia	100%	100%
Southern Region SLSA Helicopter Rescue Service Pty Ltd	Subsidiary of the immediate and ultimate Australian parent entity	Australia	-	-

Related Party Transactions

	2020	2019
	\$	\$
The following amounts were paid to related parties during the year:		
Surf Life Saving Australia – sale of inventory	9,839	13,562
Surf Life Saving Australia – reimbursement	706,411	750,660
Surf Life Saving Australia – fundraising distributions	4,300,956	5,573,771
Southern Region SLSA Helicopter Service - distributions	12,012	6,910

The following amounts were payable to related parties at the end of the financial year and included in Trade and other payables:

Surf Life Saving Australia	1,769,061	-
----------------------------	-----------	---

The following amounts were previously advanced to the Foundation and classified as an interest bearing loan in non-current liabilities:

Surf Life Saving Australia*	-	3,440,694
-----------------------------	---	-----------

* includes interest in 2019 of \$130,652, the entire balance was repaid by the Foundation during the 2019 year.

The Surf Life Saving Foundation**Notes to and forming part of the financial report for the year ended 30 June 2020****Note 17: Information required under The Charitable Fundraising Act 1991 (NSW)**

	2020	2019
	\$	\$
(a) Authority Condition 6(2)b		
An operating loss has not been made from fundraising appeals.	-	-
(b) Authority Condition 6(2)c		
Revenue	9,652,349	10,761,542
Expenses	(3,949,958)	(5,559,508)
Net Surplus	<u>5,702,391</u>	<u>5,202,034</u>
Direct Services (in accordance with charitable objects or purposes)	(4,647,271)	(2,696,141)
Transfer/(Reduction) to Accumulated Funds	<u><u>1,055,120</u></u>	<u><u>2,505,893</u></u>
(c) Authority Condition 6(2)d		
Income from Appeals involving Traders	6,573,614	7,473,843
Aggregate direct expenses	<u>(2,368,019)</u>	<u>(3,238,532)</u>
Net surplus	<u><u>4,205,595</u></u>	<u><u>4,235,311</u></u>
(d) Authority Condition 6(6)		
Remuneration or benefit received by a member of the governing body	-	-

The Surf Life Saving Foundation
Statement by members of the board of directors

The Directors' have determined that The Surf Life Saving Foundation is not a reporting entity and that these special purpose financial statements should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

In the Directors' opinion:

1. The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in foundation funds, and accompanying notes, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
 - (a) comply with Accounting Standards as described in Note 1 to the financial statements and the Australian Charities and Not-for-profits Commission Regulation 2013 (ACNC Regulation 2013); and
 - (b) give a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. There are reasonable grounds to believe that the company will be able to pay all of its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Darrin Bragg
Chairman/Director

Dated: 2 October 2020

**The Surf Life Saving Foundation
Declaration by chairman**

Information required under The Charitable Fundraising Act 1991 (NSW)

The declaration by the Chairman of the Board of Directors of The Surf Life Saving Foundation (Foundation), in relation to the abovementioned Act, is as follows:

- (a) The Statement of Profit or Loss and Other Comprehensive Income gives a true and fair view of all income and expenditure of the Foundation with respect to fundraising appeals, and
- (b) The Statement of Financial Position gives a true and fair view of the state of affairs of the Foundation with respect to fundraising appeals conducted by the Foundation, and
- (c) The provisions of the Act, the regulations under the Act and the conditions attached to the authority have been complied with by the Foundation, and
- (d) The internal controls exercised by the Foundation are appropriate and effective in accounting for all income received and applied by the Foundation from any of its fundraising appeals.



Darrin Bragg
Chairman

Dated: 2 October 2020

INDEPENDENT AUDITOR'S REPORT

To the members of The Surf Life Saving Foundation

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The Surf Life Saving Foundation (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit and loss and other comprehensive income, the statement of changes in foundation funds and the statement of cash flows for the year then ended, notes to the financial report, including a summary of significant accounting policies and the statement by members of the board of directors.

In our opinion the accompanying financial report of The Surf Life Saving Foundation, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* including:

- (i) Giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

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 Company in accordance with the auditor independence requirements of 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 (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 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the company'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.

Responsibilities of the directors for the Financial Report

The directors of the Company 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 directors' responsibility also includes such internal control as the directors 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 directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

We also report that:

- (a) the financial statements show a true and fair view of the financial result of fundraising appeals for the year ended 30 June 2020, as required by the *Charitable Fundraising Act 1991*;
- (b) the accounting and associated records of the Company have been kept in accordance with the *Charitable Fundraising Act 1991* and the Regulations for the year ended 30 June 2020;
- (c) money received as a result of fundraising appeals conducted during the year have been properly accounted for and applied in accordance with the *Charitable Fundraising Act 1991* and the Regulations; and
- (d) as at the date of this report, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

BDO Audit Pty Ltd

BDO

Martin Coyle
Director

Sydney, 2 October 2020

Page Intentionally Blank

SURF LIFE SAVING
FOUNDATION



The Surf Life Saving Foundation

190 Montpelier Rd **t.** 1800 642 925
Bowen Hills QLD 4006 **f.** 1800 782 020
GPO Box 9950 **e.** foundation@slsfoundation.com.au
Brisbane QLD 4001 **w.** slsfoundation.com.au
ACN 159 849 591 **ABN** 47 945 812 553