

Annual Report Guidelines V1

June 2021

Importance of annual reports

Annual reports are an excellent way of showcasing your club's or branch's achievements over the past year and of acknowledging the support of members, the community, sponsors and the government. Annual reports can also be used to attract more members and funds by highlighting the valuable services you provide to the community. In terms of the Financial Statements, they are also a mandated requirement of the ACNC and Department of Fair Trading.

Transparency of reporting in the Not-for-Profit (NFP) sector

As community expectations continue to rise, so does the focus on the quality and transparency of reporting, particularly in the Not-for-Profit (NFP) sector.

The Australian Charities and Not-for-Profit Commission (ACNC) ensures that a minimum standard of governance is being met by all charities and maintains an online registry of charities. This makes information on every registered charity freely available so that the public can make informed decisions about which charity they provide donations to, or volunteer for.

Defining your charitable purpose and abiding by the Charitable Fundraising Act

It is mandatory for branches and clubs to highlight in annual reports what your charitable purpose is. A charitable purpose (also called a mission or object) is the reason your charity has been set up and what your activities work towards achieving. This helps other people such as volunteers, donors and government agencies to understand why the charity does what it does.

When considering your charitable purpose, you should ensure the purpose states clearly what your charity wants to achieve and the activities undertaken by your organisation to work towards this purpose. A charitable purpose cannot extend to benefits for individual members, so statements need to be more overarching in terms of lifesaving activities.

Affiliated SLSC's and branches should ensure they meet the requirements of the NSW Charitable Fundraising Act 1991 and the ACNC (which administers the Charities Act 2013 and the Australian Charities and Not-for-profits Commission Regulations 2013) by documenting how fundraising goes back into the SLS club or branch to meet its charitable purpose. This is also important if your SLSC is on Crown Land as you should be demonstrating efficient management and administration for charitable purposes if conducting fundraising activities as per the Crown Management Act 2006. Furthermore, when conducting appeals for donations you must take all reasonable steps to ensure that total expenses payable do not amount to more than 50% of gross proceeds. In other forms of fundraising, such as the sale of goods and services, the return must be fair and reasonable. For more on Charitable Fundraising information, visit <https://www.fairtrading.nsw.gov.au/charitable-fundraising>.

Acknowledgement of Funding

Clubs and branches are strongly encouraged to acknowledge those organisations, funding agencies and individuals which have given them funding or in-kind contributions in the last financial year. It is important for our individual organisations to recognise those that support us and provide us with vital funding to maintain our activities.

When recognising individuals, you must ensure you have their permission to do so publicly, due to privacy policies. Should there be supporters who wish to remain anonymous, consider a statement to acknowledge the support of those contributors who wish to remain anonymous. Donors who provide funds under the Charitable Act cannot receive benefits such as a commercial sponsor would, but a simple acknowledgement or honor roll is acceptable.

Sponsorship Recognition

Recognising sponsors in annual reports is important to thank them for their support and generosity. Wherever possible, sponsorship logos and photos that depict the sponsors' logos, should be used, along with text to demonstrate how their support has assisted the club/branch throughout the year.

Aside from recognising club and branch sponsors, the following sponsors at a national and state level should be recognised in annual reports for the 2020-2021 year (in the following order):

National	State
Ampol	Your local club
DHL	Deputy
Isuzu	Envirobank
Westpac	Sharkskin
BRP	Midford
Dulux	Dolphin
	Team Building With Purpose
	Energy Locals

For copies of these sponsor logos to be used in your Annual Report, please download them directly from the dropbox here: <https://www.dropbox.com/sh/5d31118cdcpp3yf/AABKmm37XeWLOlqFAuwWvcwia?dl=0>

Fundraising Distributions

Surf Life Saving NSW and the Surf Life Saving Foundation should be acknowledged for conducting fundraising on behalf of clubs and branches. Conducting fundraising efforts centrally frees up our members' time to focus their energy and resources on lifesaving activities – their number one mission. It also helps to ensure greater equity of funding across the state. The generous support of the general public and our donors should also be acknowledged. In your annual report, you should state how these financial distributions were used by your club or branch (e.g. on the purchase of rescue gear and equipment; or the recruitment and training of surf lifesavers).

Government Recognition

All clubs and branches should acknowledge the:

- NSW Government's Department of Justice for the ongoing funding of state-wide operations, which benefit all members through our co-operative agreement.
- NSW Government for the support provided through The Office of Sport.
- Federal Government for the Beach Safety Equipment Funding which directed \$5,000 to every SLSC for the purchase of vital rescue equipment, first aid and medical supplies.
- Federal Government for the VET Funding which enabled hundreds of assessors to update their training qualifications and provided clubs with updated training equipment including QCPR manikins and tablets.

If your club or branch received funding through the NSW Government's Community Building Partnership program, please thank the Premier and the State Members of Parliament who provided funding to you.

If your club was in receipt of funding through the office of Sport Surf Club Facilities Grant, please thank the Premier, Sports Minister, State Member of Parliament and the Office of Sport who provided the funding to you.

Preparation of financial statements – *show this section to your auditor*

Surf Life Saving NSW requires all clubs to prepare financial statements, which at a minimum should include:

- A statement of profit or loss (Profit & Loss)
- A statement of financial position (Balance Sheet)
- A statement of changes in equity
- A statement of cash flows
- Notes to the financial statements
- A signed and dated Responsible Person's declaration about the statement and notes (see Appendix 2)

In addition,

- Clubs classified by ACNC as Small or Medium (ie with revenue under \$1,000,000) are required by Surf Life Saving NSW to be either audited **or** reviewed. (Note, it may be that your constitution requires an audit, in which case it must be an audit and not a review).

- Clubs classified by ACNC as Large (ie with revenue of \$1,000,000 or more) are required by Surf life Saving NSW to be audited.

Surf Life Saving NSW follows the ACNC requirement that any audit or review must be conducted by:

- A registered company auditor (as defined by the *Corporations Act 2001*); or
- An audit firm; or
- An authorised audit company.

A review may also be conducted by a current member of a relevant professional body (CPA, CAANZ or IPA) who is qualified to undertake a review (in line with the *Corporations Act 2001*).

Cash or accrual accounting

The ACNC requires all Medium and Large Charities to use Accrual Accounting. Small Charities (ie revenue under \$250,000) may use Accrual or Cash accounting.

Notes to the Financial Statements

Notes to the financial statements are helpful in explaining important information within your financial statements. While these will vary from club to club depending on their activities, at a minimum they should include:

- Notes regarding the type of report (Special purchase or general purpose)
- Related party transactions
- Land, Building and other assets owned and depreciated
- Other notes as to help the reader understand key items you may have in your Profit & Loss or Balance Sheet

All clubs must include in their Notes to the Financial Statements details of fundraising, to be compliant with the Department of Fair Trading. This includes the gross income and direct expenditure incurred in all appeals conducted in the financial year, and how the net surplus or deficit from a fundraising appeal in the financial year was applied.

The ACNC has a range of resources to assist charities in the preparation of their Financial Statements, refer to the website below for templates, resources, and checklists for Treasurers and Auditors.

<https://www.acnc.gov.au/for-charities/manage-your-charity/obligations-acnc/reporting-annually-acnc/annual-financial-report>

Appendix 1 – Declaration by the Auditor

As well as the standard declaration by Auditors, an additional declaration is required in relation to the Fundraising activities of clubs. The below wording is taken directly from the **NSW Charitable Fundraising Act 1991 No 69**.

The auditor must report on:

- a) whether the accounts show a true and fair view of the financial results of fundraising appeals for the year;
- b) whether the accounts and associated records have been properly kept during the year in accordance with the Charitable Fundraising Act 1991 and the regulations;
- c) whether 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) the solvency of the organisation.

Appendix 2 – Responsible entities declaration

The below wording is taken directly from section 60.15 of the Australian Charities and Not-for-profits Commission Regulation 2013.

The responsible entities declare that in the responsible entities' opinion:

- a) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- b) the financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013.

Responsible entity [Title]

Dated this xx day of xx 20xx

Appendix 3 – Other Annual Report inclusions

The critical elements in your Annual Report are your club's or branch's vision/mission (or both), objectives, strategies, performance, reviews, outcomes and outlook.

Overview, objectives and highlights

- Club/branch history and profile
- Mission, purpose, values, and objectives
- Strategies for achieving objectives and outcomes
- "Statement of intent" or explanation of your club's future - this presents you as a forward-thinking organisation with an eye to future success
- Highlights of the year
- Performance measures and indicators, key financial and non-financial features (e.g. rescues compared to last year)
- Funding received and financial results
- Case studies which demonstrate the practical results of your work

Wherever possible, quantify information in charts or present them in infographics to generate interest, comparing figures to last year or to similar organisations.

Overview of programs and activities

- Development, youth involvement and other member programs, as well as open days and other community activities undertaken in an effort to showcase your activities.
- Water safety/community education programs or campaigns held on water safety, and those that are specifically targeted at people from culturally and linguistically diverse (CALD) backgrounds, Indigenous communities and people with disability.
- Programs relating to teaching school-aged children swimming, water safety and rescue skills education or programs for children in rural areas.
- Any advancements, innovation or developments the club has made in moving forward and connecting with a progressive community.

Wherever possible, list the number of participants.

Office bearers

- List of office bearers, using photos if possible.
- Office bearer reports to showcase achievements.

Statistical summaries

- Membership and patrol statistics.
- Financial figures and other non-financial activities e.g. preventative actions.
- Number of people from CALD backgrounds, indigenous communities or people with disability reached through programs.
- Number of participants reached through community education programs, lifesaving and competition events.

Awards

- List of awards received by your members (e.g. Junior Activity Awards, Patrolling Lifesaver Awards, Recognition Awards, Junior Lifesaver of the Year, Awards of Excellence awards, external awards like NSW Sport or Community Citizen of the Year awards and awards under the Australian Honours system).
- Sample of media coverage the club/branch enjoyed as a result of the awards gained.

Other Items

- A list of patrons, vice-patrons, and life members and an acknowledgement of the contribution of members.
- An index of contents, glossary of terms, calendar of events.
- The availability of the report through the web or via hard copy.

Use of Images

As your annual report is a promotional tool, it is worthwhile considering what images you use in your annual reports to best highlight the core purpose of the organisation. For example, be sure to use images where patrolling personnel are wearing the correct patrol uniform (only DHL and Holden logos), or operating an IRB and wearing a lifejacket. In addition, try to use images showing lifesavers, correct sponsor logos or ones that promote safety messages and highlight community education.

Further Resources to assist SLSCs and Branches

- Surf Life Saving NSW Club Guide <https://www.surflifesaving.com.au/downloads/slsnsw-club-guide-46>
- Australian Charities and Not-for-Profit Commission for templates for governing documents, report templates, fact sheets, guides and tips – <https://www.acnc.gov.au/for-charities>
- Fair Trading NSW for charitable fundraising information and guidelines – <https://www.fairtrading.nsw.gov.au/charitable-fundraising>