

Surf Life Saving New South Wales and Controlled Entity

ABN: 93 827 748 379

Consolidated Financial report

For the year ended 30 June 2023

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SURF LIFE SAVING NEW SOUTH WALES AND CONTROLLED ENTITY
ABN: 93 827 748 379

DIRECTORS' REPORT

The directors present their report together with the financial report of the group, being the company, Surf Life Saving New South Wales ("SLSNSW") ABN 93 827 748 379 and its controlled entity, Surf Life Saving Services Pty Limited ("SLSS") ABN 80 055 582 762 for the year ended 30 June 2023 and auditor's report thereon.

Directors names

The names of the directors in office at any time during or since the end of the year are:

George Shales OAM (Resigned 6 May 2023)

John Restuccia OAM

Paul Bolton

Kerry Clancy

Donald Van Keimpema OAM (Re-appointed 6 May 2023)

Anthony Waller OAM (Resigned 13 March 2023)

Peter Agnew ESM (Appointed 6 May 2023)

Dean Dudley CF (Appointed 6 May 2023)

Joel Wiseman

For information- Directors names Surf Life Saving Services (subsidiary)

Stephen Bennett

Kris Beavis

Rodney Elliott

Peter Agnew ESM (Appointed 6 May 2023)

Jacqueline Ross (Appointed 8 May 2023)

The directors have been in office since the start of the year to the date of this report unless otherwise stated.

Principal activities

To carry out the group's strategies and to achieve its short-term and long-term objectives, the company's principal activities during the year were to provide charitable services to the community, save lives and reduce drownings in the NSW community by conducting, encouraging, promoting, advancing and administering surf lifesaving, educational, member based, surf sport, and training activities.

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DIRECTORS' REPORT

Results

The surplus of the group for the year amounted to \$2,435,464 (2022: \$937,373).

Short-term and long-term objectives and strategies

1. Save Lives

- a. We will be better structured and resourced to respond as an emergency service organisation within NSW emergency management arrangements;
- b. Our coastal safety services and capabilities will take advantage of relevant emerging technologies and with new research and data on beach usage;
- c. More lives will be being saved through our preventative activities targeted to at-risk communities

2. Develop and Support

- a. Members will be more satisfied with their volunteering experience – leadership and development and enhanced IT and communication systems will help drive this;
- b. Members will have all the skills needed to perform their roles- the transferability of skills within and outside of Surf Life saving will be promoted;
- c. Our member safeguarding and welfare systems will be among the best in the sector.

3. Grow and Sustain

- a. Our membership will be growing – improved flexibility throughout the organisation will enable more members to share the load;
- b. Organisational role clarity, efficiency and trust will have improved;
- c. More members will be participating in sport pathways resulting in more capable and rescue ready lifesavers.

4. Engage The Community

- a. Through our marketing, media, education and partnership activities, we will have even greater presence and relevance in our local communities all year round;
- b. Our clubs, branches and SLSNSW will be more welcoming and inclusive, both to new and existing members.

5. Strategic Enablers

- a. Our financial sustainability will have improved;
- b. Our role as the peak NSW coastal aquatic agency will be cemented through our positioning, our profiling and our presence;
- c. Our solid technological foundation will allow us to innovate, be agile, adopt new emerging technologies and deliver greater return on investment;
- d. Our workplace will be structured to support our strategic direction and priorities. It will attract and retain skilled and passionate staff committed to supporting the membership, to collaborative working across entities, to good governance and high quality management.

SURF LIFE SAVING NEW SOUTH WALES AND CONTROLLED ENTITY

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DIRECTORS' REPORT

Key performance indicators (Membership & Operations)

To help evaluate whether the activities the group established during the year have achieved its short-term and long-term objectives, the group uses the following key performance indicators to measure, analyse and monitor its performance. The company measures its performance through a yearly Operational Action Plan that aligns with the SLSNSW Strategic Plan, its annual report which details its activities and highlights key trends over the year and through its audited financial statements.

The following operational and financial statistics are used to monitor the organisation's performance over the year:

- Membership numbers
- Number of drownings, rescues, first aid treatments and preventative actions undertaken
- Total patrol hours
- Number of people trained
- Number of awards
- Cost effectiveness of fundraising
- Control over administrative expenditure
- Distributions to affiliated entities (in-kind and monetary)
- Numbers of clubs who have achieved bronze, silver and gold status through the Quality Clubs program
- Numbers of people participating in member development programs
- Participation numbers at surf sports events
- Twitter statistics, number of Facebook followers and people accessing website information

| Operational Statistics | 2023 | 2022 |
|---------------------------------------|---------|---------|
| Membership | 75,855 | 76,240 |
| Emergency Response Callouts (13 SURF) | 753 | 790 |
| Drownings in NSW | 48 | 55 |
| Rescues Performed | 4,526 | 4,257 |
| Preventative Actions Undertaken | 858,832 | 606,086 |
| First Aid Treatments Provided | 9,739 | 10,533 |
| Patrol Hours | 773,231 | 731,307 |
| Award Numbers | 69,404 | 94,460 |
| Facebook Followers | 36,864 | 31,840 |
| Twitter Followers | 12,307 | 12,412 |
| Instagram Followers | 17,900 | 16,829 |

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DIRECTORS' REPORT

Key performance indicators (Membership & Operations) (Continued)

Key performance indicators (Commercial)

To help evaluate whether the commercial activities of Surf Life Saving Services have achieved both short-term and long-term objectives, the following performance indicators have been used to track effectiveness and benefits to the group as a whole, specifically:

- Building and Developing SLSNSW Member Pathways
- Supporting SLSNSW Financially and through Value in Kind (VIK)
- Delivery of SLSNSW Support Services
- Capacity and Capability Building for SLSNSW
- Advocacy and Extension of Brand for SLSNSW (domestically and internationally)

The Australian Lifeguard Service (ALS)

- Employed 448 lifeguards in F22/23 (316 Male, 132 Female)
- 76% of the ALS Lifeguards are previous or current SLSNSW members
- Performed 1,021 rescues
- Conducted 683,152 Preventative Actions
- Provided 3,809 First Aid treatments
- Performed 114,100 Patrol Hours

The Australian Lifesaving Academy (ALA)

- Employed 78 ALA Trainers throughout NSW in F22/23
- 69% of the ALA Trainers are previous or current SLSNSW members
- Maintained a client base of over 5,450 business throughout NSW and the ACT
- Delivered 83,191 awards to community and business members during F22/23

The Australian Event Safety Service (AESS)

- Employed 180 AESS First Aid/Water Safety Staff in FY22/23 (115 male, 65 Female)
- 80% of the current casual AESS First Aid and/or Water Safety Staff are SLSNSW Club Members
- Water Safety hours delivered was 19,805
- First Aid hours delivered was 5,084

The above hours includes over 7,085 hours for VIVID water safety / first aid and paramedic hours.

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DIRECTORS' REPORT

Key performance indicators (Membership & Operations) (Continued)

The Australian Unmanned Aerial Vehicle Service (AUAVS)

- Employed 223 UAV Pilots in F22/23
- 53% of the current AUAVS pilots are previous or current SLS NSW members
- Over 39,000 flights completed
- Over 9,500 flight hours completed.

After balance date events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the group, the results of those operations, or the state of affairs of the group in future financial years.

Information on directors

| | |
|--------------------------------|---|
| Peter Agnew ESM | President and Chairperson |
| Profession | Management Consultant |
| SLSNSW tenure | 4 months (Appointed 6 May 2023) |
| | |
| George Shales OAM | President and Chairman (Resigned 6 May 2023) |
| Profession | Customer Relationship Manager |
| SLSNSW tenure | 4 years (Resigned 6 May 2023) |
| | |
| John Restuccia OAM | Deputy President |
| Profession | Business Development Manager |
| SLSNSW tenure | 4 years |
| | |
| Paul Bolton | Director and Chair Finance Audit & Compliance Committee |
| Profession | Chartered Accountant |
| SLSNSW tenure | 5 Years |
| | |
| Kerry Clancy | Director and Chair Member Services Standing Committee |
| Profession | Casual School Teacher |
| SLSNSW tenure | 4 Years |
| | |
| Donald van Keimpema OAM | Director and Chair Surf Sports Standing Committee |
| Profession | Principal Building Inspector |
| SLSNSW tenure | 6 Years (Re-appointed 6 May 2023) |

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DIRECTORS' REPORT

Information on directors (Continued)

| | |
|---------------------------|---|
| Anthony Waller OAM | Director and Chair Education Standing Committee |
| Profession | Zone Commander Illawarra (Retired) |
| SLNSW tenure | 4 years (Resigned 13 March 2023) |

| | |
|---------------------|------------------------|
| Joel Wiseman | Director of Lifesaving |
| Profession | Police Officer |
| SLNSW tenure | 4 years |

| | |
|-----------------------|---|
| Dean Dudley CF | Director and Chair Education Standing Committee |
| Profession | Associate Professor of Education |
| SLNSW tenure | 4 months (Appointed 6 May 2023) |

**Information on directors of
Surf Life Saving Services
(subsidiary)**

| | |
|------------------------|--------------------------------|
| Stephen Bennett | Director and Chairman |
| Profession | Partner / Chartered Accountant |
| SLSS tenure | 8 years |

| | |
|--------------------|-------------------------|
| Kris Beavis | Director |
| Profession | Chief Executive Officer |
| SLSS tenure | 5 Years |

| | |
|----------------------|--------------------------|
| Rodney Elliot | Director |
| Profession | Senior Banking Executive |
| SLSS tenure | 2 Years |

| | |
|------------------------|---------------------------------|
| Peter Agnew ESM | Director |
| Profession | Management Consultant |
| SLSS tenure | 4 months (Appointed 6 May 2023) |

| | |
|------------------------|--|
| Jacqueline Ross | Director |
| Qualifications | Change and Digital Transformation Lead |
| Experience | 4 months (Appointed 8 May 2023) |

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DIRECTORS' REPORT

| Directors | Directors' meetings | |
|--------------------------|---------------------------|-----------------|
| | Number eligible to attend | Number attended |
| SLNSW | | |
| Peter Agnew ESM | 3 | 3 |
| George Shales OAM | 10 | 10 |
| John Restuccia OAM | 13 | 12 |
| Paul Bolton | 13 | 11 |
| Kerry Clancy | 13 | 13 |
| Donald van Keimpema OAM | 13 | 12 |
| Anthony Waller OAM | 8 | 7 |
| Joel Wiseman | 13 | 9 |
| Dean Dudley CF | 3 | 3 |
| SLSS (subsidiary) | | |
| Stephen Bennett | 9 | 9 |
| Kris Beavis | 9 | 9 |
| Rodney Elliott | 9 | 8 |
| Peter Agnew ESM | 2 | 2 |
| Jacqueline Ross | 2 | 2 |

Members guarantee

The company is incorporated under the *Corporations Act 2001* and the parent entity, Surf Life Saving New South Wales is a company limited by guarantee. If the company is wound up clause 13, (Members' Liabilities) of the Constitution states that each member is required to contribute towards the payment of the debts and liabilities or the costs, charges and expenses of the winding up of the company, if any, to the extent of unpaid amounts required to be paid in accordance with Rule 15, (Affiliation, Membership and Insurance Levy Fees) of the Constitution.

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DIRECTORS' REPORT

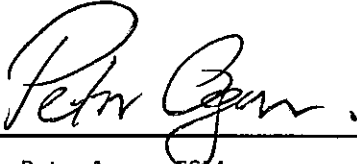
Indemnification of officers


During the financial year, the Company paid a premium in respect of a contract to insure the directors and officers of the Company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Auditor's independence declaration

A copy of the auditor's independence declaration in relation to the audit for the financial year is provided with this report.

Signed on behalf of the board of directors.

Director: 
Peter Agnew ESM

Director: 
Paul Bolton

Date: 20 September 2023

Pitcher Partners Sydney Partnership

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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF SURF LIFE SAVING NEW SOUTH WALES
ABN 93 827 748 379**

In relation to the independent audit for the year ended 30 June 2023, to the best of my knowledge and belief, there have been:

- (i) No contraventions of the auditor independence requirements of section 60-40 of *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Surf Life Saving New South Wales and the entities it controlled during the year.



Mark Godlewski
Partner

Pitcher Partners
Sydney

20 September 2023

SURF LIFE SAVING NEW SOUTH WALES AND CONTROLLED ENTITY
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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

| | Note | 2023 \$ | 2022 \$ |
|---|------|---------------------|---------------------|
| Revenue and other income | | | |
| Revenue from contracts with customers | 3 | 16,146,104 | 12,564,822 |
| Interest income from financial instruments measured at amortised cost | | 413,651 | 55,966 |
| Other revenue and other income | 4 | <u>18,480,451</u> | <u>16,709,765</u> |
| | | <u>35,040,206</u> | <u>29,330,553</u> |
| Expenses | | | |
| Materials and consumables used | | (1,805,388) | (1,860,022) |
| Employee benefits expense | | (16,043,377) | (14,261,107) |
| Superannuation | | (1,653,117) | (1,305,736) |
| Consultancy Costs | | (425,200) | (238,412) |
| Contractors | | (856,560) | (434,766) |
| Assets costing less than \$5,000 | | (687,828) | (808,643) |
| Distribution of grants to Clubs and branches | | (1,408,084) | (2,325,735) |
| Donations Paid | | (1,350) | - |
| Depreciation and amortisation expense | | (1,514,462) | (1,333,400) |
| Repairs and maintenance | | (602,883) | (460,676) |
| Meeting and Catering Costs | | (129,711) | (54,742) |
| Advertising | | (119,127) | (44,047) |
| Insurance | | (912,202) | (760,280) |
| IT and communications expenditure | | (2,188,320) | (1,748,650) |
| Finance costs | | (21,778) | (14,267) |
| Motor vehicle | | (900,833) | (541,306) |
| Venue hire and utilities | | (538,720) | (338,787) |
| Equipment Hire | | (331,341) | (35,062) |
| Printing, Postage & Stationery | | (278,241) | (228,687) |
| Training | | (488,367) | (283,894) |
| Travel & Accommodation | | (786,680) | (354,658) |
| Other expenses | | <u>(911,173)</u> | <u>(960,303)</u> |
| | | <u>(32,604,742)</u> | <u>(28,393,180)</u> |
| Surplus for year | | 2,435,464 | 937,373 |
| Other comprehensive income for the year | | - | - |
| Total comprehensive income | | <u>2,435,464</u> | <u>937,373</u> |

The accompanying notes form part of these financial statements.

SURF LIFE SAVING NEW SOUTH WALES AND CONTROLLED ENTITY
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

| | Note | 2023 \$ | 2022 \$ |
|--------------------------------------|------|-------------------|-------------------|
| Current assets | | | |
| Cash and cash equivalents | 9 | 19,435,098 | 25,569,816 |
| Receivables | 10 | 2,436,477 | 1,508,258 |
| Inventories | | 122,816 | 315,181 |
| Other financial assets | 11 | 3,163,301 | - |
| Other assets | 12 | <u>428,562</u> | <u>265,987</u> |
| Total current assets | | <u>25,586,254</u> | <u>27,659,242</u> |
| Non-current assets | | | |
| Lease assets | 14 | 82,406 | 127,355 |
| Property, plant and equipment | 15 | <u>22,467,811</u> | <u>22,154,783</u> |
| Total non-current assets | | <u>22,550,217</u> | <u>22,282,138</u> |
| Total assets | | <u>48,136,471</u> | <u>49,941,380</u> |
| Current liabilities | | | |
| Payables | 16 | 4,318,947 | 4,711,839 |
| Lease liabilities | 14 | 46,553 | 48,666 |
| Provisions | 17 | 2,313,276 | 2,244,873 |
| Contract liabilities | 18 | <u>3,537,656</u> | <u>7,466,071</u> |
| Total current liabilities | | <u>10,216,432</u> | <u>14,471,449</u> |
| Non-current liabilities | | | |
| Lease liabilities | 14 | 39,906 | 86,575 |
| Provisions | 17 | <u>217,743</u> | <u>156,430</u> |
| Total non-current liabilities | | <u>257,649</u> | <u>243,005</u> |
| Total liabilities | | <u>10,474,081</u> | <u>14,714,454</u> |
| Net assets | | <u>37,662,390</u> | <u>35,226,926</u> |
| Equity | | | |
| Reserves | 19 | 8,296,625 | 8,296,625 |
| Retained surplus | | <u>29,365,765</u> | <u>26,930,301</u> |
| Total equity | | <u>37,662,390</u> | <u>35,226,926</u> |

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

| | Reserves \$ | Retained surplus \$ | Total equity \$ |
|--|------------------|---------------------------|--------------------|
| Balance as at 1 July 2021 | 8,296,625 | 25,992,928 | 34,289,553 |
| Surplus for year | <u>-</u> | <u>937,373</u> | <u>937,373</u> |
| Total comprehensive income for the year | <u>-</u> | <u>937,373</u> | <u>937,373</u> |
| Balance as at 30 June 2022 | <u>8,296,625</u> | <u>26,930,301</u> | <u>35,226,926</u> |
| Balance as at 1 July 2022 | 8,296,625 | 26,930,301 | 35,226,926 |
| Surplus for year | <u>-</u> | <u>2,435,464</u> | <u>2,435,464</u> |
| Total comprehensive income for the year | <u>-</u> | <u>2,435,464</u> | <u>2,435,464</u> |
| Balance as at 30 June 2023 | <u>8,296,625</u> | <u>29,365,765</u> | <u>37,662,390</u> |

The accompanying notes form part of these financial statements.

SURF LIFE SAVING NEW SOUTH WALES AND CONTROLLED ENTITY
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

| | Note | 2023 | 2022 |
|--|------|--------------------|-------------------|
| | | \$ | \$ |
| Cash flow from operating activities | | | |
| Receipts from members, customers, donors and for grants | | 31,934,394 | 35,650,634 |
| Payments to suppliers and employees | | (33,890,420) | (29,976,789) |
| Investment income | | 30,421 | - |
| Interest received | | <u>413,651</u> | <u>48,499</u> |
| Net cash provided by / (used in) operating activities | | <u>(1,511,954)</u> | <u>5,722,344</u> |
| Cash flow from investing activities | | | |
| Proceeds from sale of property, plant and equipment | | 403,437 | 384,000 |
| Payment for property, plant and equipment | | (1,830,980) | (1,307,466) |
| Receipt from / (Payment for) investments in term deposit | | - | 11,000,000 |
| Receipt from / (Payment for) investments in managed funds | | <u>(3,146,439)</u> | <u>-</u> |
| Net cash (used in) / provided by investing activities | | <u>(4,573,982)</u> | <u>10,076,534</u> |
| Cash flow from financing activities | | | |
| Principal portion of lease payments | | <u>(48,782)</u> | <u>(40,122)</u> |
| Net cash provided by / (used in) financing activities | | <u>(48,782)</u> | <u>(40,122)</u> |
| Reconciliation of cash | | | |
| Cash at beginning of the financial year | | 25,569,816 | 9,811,060 |
| Net (decrease) / increase in cash held | | <u>(6,134,718)</u> | <u>15,758,756</u> |
| Cash at end of financial year | | <u>19,435,098</u> | <u>25,569,816</u> |

The accompanying notes form part of these financial statements.

SURF LIFE SAVING NEW SOUTH WALES AND CONTROLLED ENTITY
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards - Simplified Disclosures, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board. This includes compliance with the recognition and measurement requirements of all Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the disclosure requirements of AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*.

The financial report covers Surf Life Saving New South Wales and its consolidated entity. Surf Life Saving New South Wales is a company limited by guarantee, incorporated and domiciled in Australia. Surf Life Saving New South Wales is a not-for-profit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors at the date of the directors' report.

The following are the significant accounting policies adopted by the group in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

Significant accounting estimates and judgements

The preparation of the financial report requires the use of certain estimates and judgements in applying the group's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 2 to the financial statements.

(b) Principles of consolidation

The consolidated financial statements are those of the consolidated entity ("the group"), comprising the financial statements of the parent entity and all of the entities the parent controls. The group controls an entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entity to affect the amount of its returns.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All inter-company balances and transactions have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is transferred to the group and are de-recognised from the date that control ceases.

SURF LIFE SAVING NEW SOUTH WALES AND CONTROLLED ENTITY
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Revenue

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

(d) Government Grants and Donations

The group derives income from the transfer of assets when the group provides no consideration in exchange for the asset received, or the consideration provided by the group is significantly less than the fair value of the asset received, principally to enable the group to further its objectives, and the arrangement does not satisfy the criteria to be accounted for as a 'contract with a customer'.

Donations

Cash donations are recognised as income when the group obtains control of the asset. Cash is recognised at the fair value of the consideration received. Goods donated for resale are recognised at current replacement cost.

Grants

Grant contracts are assessed under Accounting Standard AASB 15. Where applicable they are recognised as revenue when performance obligations have been met. Grants that do not contain enforceable and sufficiently specific performance obligations are recognised at fair value when the group obtains control of the asset. Any related amounts, such as contributions from owners, financial liabilities, contract liabilities, lease liabilities and provisions are recognised in accordance with the applicable Australian Accounting Standard. The excess of the initial carrying amount of assets received over the aggregate of the consideration provided by the group and any related amounts is recognised as income in accordance with Accounting Standard AASB 1058.

A transfer of a financial asset, including cash, to enable the group to acquire or construct a recognisable non-financial asset to identified specifications to be controlled by the group, such as an item of property, plant and equipment are initially recognised as a liability and subsequently recognised as income as, or when, the group satisfies its obligation to acquire or construct the specified asset to which the grant relates. For the acquisition of specified assets, income is recognised when the asset is acquired and controlled by the group. For the construction of specified assets, income is recognised as the construction progresses on the basis of costs incurred relative to expected costs.

When the group receives grants but is obliged to give directly approximately equal value to the contributor and has no input into who receives the funds or how the money is spent, the revenue is not recognised in the group's profit or loss, as the group is acting as an agent, therefore not entitled to recognise the income or expenditure under Accounting Standard AASB 15.

SURF LIFE SAVING NEW SOUTH WALES AND CONTROLLED ENTITY
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Income tax

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

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks and short-term deposits with an original maturity of three months or less held at call with financial institutions.

(g) Inventories

Inventories held for sale are measured at the lower of cost and net realisable value.

(h) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

Classification of financial assets

Financial assets recognised by the group are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the group irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVtOCI) in accordance with the relevant criteria in AASB 9.

Financial assets not irrevocably designated on initial recognition at FVtOCI are classified as subsequently measured at amortised cost, FVtOCI or fair value through profit or loss (FVtPL) on the basis of both:

- (a) the group's business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial asset.

Trade and other receivables

Trade and other receivables arise from the group's transactions with its customers and are normally settled within 30 days.

Consistent with both the group's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

SURF LIFE SAVING NEW SOUTH WALES AND CONTROLLED ENTITY
ABN: 93 827 748 379

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (Continued)

Equity instruments

Equity instruments comprise units in managed investment funds that are not held for trading. On initial recognition, investments identified by the group as long-term equity instruments designated (and measured) at fair value through other profit or loss.

(i) Property, plant and equipment

Each class of property, property, plant and equipment is measured at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses. Where property, plant and equipment are acquired at no cost or for a nominal amount, cost is deemed to be the fair value as at the acquisition date.

Property

Freehold land and buildings are measured at revalued amounts, being the fair value at the date of the revaluation, less any subsequent accumulated depreciation and any accumulated impairment losses. At each reporting date the carrying amount of each asset is reviewed to ensure that it does not differ materially from the asset's fair value at reporting date. Where necessary, the asset is revalued to reflect its fair value.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in equity. To the extent that the increase reverses a decrease of the same class of asset previously recognised in profit or loss, the increase is recognised in profit or loss. Decreases that offset previous increases of the same class of asset are recognised in other comprehensive income; all other decreases are recognised in profit or loss.

Depreciation

Land is not depreciated. The depreciable amount of all other property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

| Class of fixed asset | Depreciation rates | Depreciation basis |
|-----------------------------|---------------------------|---------------------------|
| Buildings at valuation | 2% | Straight line |
| Plant and equipment at cost | 20-33% | Straight line |
| Motor vehicles at cost | 33% | Straight line |
| Computer equipment at cost | 40% | Straight line |

(j) Leases

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

SURF LIFE SAVING NEW SOUTH WALES AND CONTROLLED ENTITY
ABN: 93 827 748 379

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Leases (Continued)

Lease assets

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the group, and an estimate of costs to be incurred by the group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

Lease liabilities

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the group's incremental borrowing rate.

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

Leases of 12-months or less and leases of low value assets

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

SURF LIFE SAVING NEW SOUTH WALES AND CONTROLLED ENTITY
ABN: 93 827 748 379

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the consolidated statement of financial position.

(ii) Long-term employee benefit obligations

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that are denominated in the currency in which the benefits will be paid. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the consolidated statement of financial position if the group does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the consolidated statement of financial position.

(iii) Retirement benefit obligations

Defined contribution superannuation plan

The group makes superannuation contributions to the employee's defined contribution superannuation plan of choice in respect of employee services rendered during the year. These superannuation contributions are recognised as an expense in the same period when the related employee services are received. The group's obligation with respect to employee's defined contributions entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the consolidated statement of financial position.

SURF LIFE SAVING NEW SOUTH WALES AND CONTROLLED ENTITY
ABN: 93 827 748 379

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Impairment of non-financial assets

Assets are assessed for impairment whenever events or circumstances arise that indicate the asset may be impaired.

An impairment loss is recognised when the carrying amount of an asset exceeds the asset's recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs of disposal and value in use (where 'value in use' is determined as the present value of the future cash flows expected to be derived from an asset).

Impairment losses in respect of individual assets are recognised immediately in profit or loss unless the asset is measured at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and is recognised in other comprehensive income to the extent that it does not exceed the amount in the revaluation surplus for the same class of asset.

A reversal of an impairment loss for an asset measured at cost is recognised in profit or loss. A reversal of an impairment loss for an asset measured at a revalued amount is treated as a revaluation increase and is recognised in other comprehensive income, except to the extent that an impairment loss on the same class of asset was previously recognised in profit or loss, in which case a reversal of that impairment loss is also recognised in profit or loss.

(m) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(n) Goods and services tax (GST)

Revenues, expenses and purchased 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 in the consolidated statement of financial position are shown inclusive of GST.

Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(o) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

SURF LIFE SAVING NEW SOUTH WALES AND CONTROLLED ENTITY
ABN: 93 827 748 379

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In the process of applying the group's accounting policies, management makes various judgements that can significantly affect the amounts recognised in the financial statements. In addition, the determination of carrying amounts of some assets and liabilities require estimation of the effects of uncertain future events. Outcomes within the next financial year that are different from the assumptions made could require a material adjustment to the carrying amounts of those assets and liabilities affected by the assumption.

The following outlines the major judgements made by management in applying the group's accounting policies and/or the major sources of estimation uncertainty, that have the most significant effect on the amounts recognised in the financial statements and/or have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

(a) Impairment of financial assets

The group recognises an allowance for expected credit losses in relation to debt instruments, receivables from contracts with customers, contract assets and lease receivables. The measurement of expected credit losses reflects the group's 'expected rate of loss', which is a product of the probability of default and the loss given default, and its 'exposure at default', which is typically the carrying amount of the relevant asset. Expected credit losses are measured as the difference between all contractual cash flows due and all contractual cash flows expected to be received based on the group's exposure at default, discounted at the financial asset's original effective interest rate. The assessment of expected credit losses includes consideration of the group's historical credit loss experience, adjusted for factors that are specific to the financial asset, as well as current and future expected economic conditions relevant to the financial asset.

(b) Revenue and other income

The group derives revenue and other income from a range of activities and sources, including revenue from the sale of goods and the provision of services, and income from donations, operating grants and capital grants. In accordance with Australian Accounting Standards, the group is required to determine whether it is appropriate to recognise revenue and other income in the financial year in which cash or non cash assets are received or to defer the recognition of revenue and other income until associated obligations and/or conditions (if any) are satisfied. In making this judgement, the company considers the guidance outlined in AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not for Profit Entities and, in particular, whether the arrangement contains enforceable and sufficiently specific performance obligations. Where the company identifies the existence of enforceable and sufficiently specific performance obligations, or the arrangement requires the company to use the funds received to acquire or construct items of property, plant and equipment to identified specifications, the recognition of revenue and other income is deferred until the identified obligations are satisfied.

SURF LIFE SAVING NEW SOUTH WALES AND CONTROLLED ENTITY
ABN: 93 827 748 379

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|--|--------------------------|--------------------------|
| | \$ | \$ |
| NOTE 3: REVENUE FROM CONTRACTS WITH CUSTOMERS | | |
| Sale of goods (Lifesaving equipment) | 786,784 | 950,841 |
| Rendering of Services (Lifesaving, Lifeguard and First Aid) | <u>15,359,320</u> | <u>11,613,981</u> |
| | <u>16,146,104</u> | <u>12,564,822</u> |
| NOTE 4: OTHER REVENUE AND OTHER INCOME | | |
| Other revenue | | |
| Income from investments | 150,760 | - |
| Bequests | 251,246 | 41,694 |
| Donations | 2,808,128 | 3,176,711 |
| Grants | 12,713,265 | 10,136,252 |
| Sponsorship | <u>2,114,002</u> | <u>1,963,265</u> |
| | <u>18,037,401</u> | <u>15,317,922</u> |
| Other Income | | |
| Realised / unrealised (loss) /gain on fair value adjustments | (19,288) | - |
| Profit on sale of non current assets | 241,534 | 355,568 |
| Government subsidies | - | 685,467 |
| Other income | <u>220,804</u> | <u>350,808</u> |
| | <u>443,050</u> | <u>1,391,843</u> |
| Total other revenue and other income | <u>18,480,451</u> | <u>16,709,765</u> |

Donations and grants recognised in accordance with AASB 15 is \$11,013,265 (2022: \$8,392,042).

Donations and grants recognised in accordance with AASB 1058 is \$4,759,374 (2022: \$4,962,615).

SURF LIFE SAVING NEW SOUTH WALES AND CONTROLLED ENTITY
ABN: 93 827 748 379

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|--|--------------------------|--------------------------|
| | \$ | \$ |
| GOVERNMENT FUNDING AND OTHER GRANTS | | |
| Commonwealth Government | | |
| Department of Foreign Affairs and Trade | <u>32,895</u> | <u>13,684</u> |
| NSW Government | | |
| Resilience NSW (formerly Office of Emergency Management, Department of Communities and Justice) | 7,286,623 | 5,695,155 |
| Department of Regional NSW - Primary Industries | 3,776,925 | 2,970,704 |
| NSW Ministry of Health | 99,012 | - |
| Office of Sport | 5,000 | 180,000 |
| Department of Planning, Industry and Environment | <u>-</u> | <u>45,455</u> |
| Total NSW Government | <u>11,167,560</u> | <u>8,891,314</u> |
| Other - Non-Government | | |
| Surf Life Saving Australia | <u>1,512,810</u> | <u>1,231,254</u> |
| Total Grant Revenue | <u>12,713,265</u> | <u>10,136,252</u> |
| NOTE 5: EMPLOYEE BENEFITS | | |
| Parent entity | 5,616,616 | 5,516,121 |
| Subsidiary entity | <u>10,426,761</u> | <u>8,744,986</u> |
| | <u>16,043,377</u> | <u>14,261,107</u> |
| Subsidiary entity employee benefits cover the provision of Professional Lifeguard, First Aid Training, Event Safety and UAV Services throughout New South Wales. | | |
| NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION | | |
| Total compensation paid or payable to key management personnel | <u>1,766,774</u> | <u>1,608,405</u> |

SURF LIFE SAVING NEW SOUTH WALES AND CONTROLLED ENTITY
ABN: 93 827 748 379

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|--|---------------|---------------|
| | \$ | \$ |
| NOTE 7: REMUNERATION OF AUDITORS | | |
| Remuneration of auditors for: | | |
| Audit and assurance services | | |
| - Audit or review of the financial report | 52,750 | 50,500 |
| Other non-audit services | | |
| - Compilation of subsidiary financial statements | 4,000 | 3,500 |
| - Taxation services | <u>25,780</u> | <u>12,553</u> |
| | <u>82,530</u> | <u>66,553</u> |

NOTE 8: DISTRIBUTIONS AND GRANTS

| | | |
|------------------------------------|------------------|------------------|
| Partnership, fundraising and other | <u>1,408,084</u> | <u>2,602,539</u> |
| | <u>1,408,084</u> | <u>2,602,539</u> |

The adoption of AASB 15 in 2020 resulted in the removal of the capital grants from the group's profit and loss statement as the group has been identified as agents in this transaction. The group holds the cash relating to income received and an associated liability to the clubs.

NOTE 9: CASH AND CASH EQUIVALENTS

| | | |
|-----------------|-------------------|-------------------|
| Cash on hand | 381 | 381 |
| Cash at bank | 18,626,096 | 24,762,203 |
| Cash on deposit | <u>808,621</u> | <u>807,232</u> |
| | <u>19,435,098</u> | <u>25,569,816</u> |

Cash at bank includes \$1,987,449 (2022: \$2,597,695) in which SLS NSW is acting as agent. A corresponding liability is recognised for the amount payable to clubs (Note 16).

NOTE 10: RECEIVABLES

CURRENT

| | | |
|---|------------------|------------------|
| Receivables from contracts with customers | 2,196,591 | 1,286,818 |
| Allowance for credit losses | <u>(8,476)</u> | <u>(4,500)</u> |
| | 2,188,115 | 1,282,318 |
| Other receivables | <u>248,362</u> | <u>225,940</u> |
| | <u>2,436,477</u> | <u>1,508,258</u> |

SURF LIFE SAVING NEW SOUTH WALES AND CONTROLLED ENTITY
ABN: 93 827 748 379

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|---|------------------|-------------------|
| | \$ | \$ |
| NOTE 11: OTHER FINANCIAL ASSETS | | |
| CURRENT | | |
| <i>Financial assets at fair value through profit or loss</i> | | |
| Investment in managed funds | <u>3,163,301</u> | <u>-</u> |
| NOTE 12: OTHER ASSETS | | |
| CURRENT | | |
| Prepayments | 184,944 | 254,775 |
| Accrued income | <u>243,618</u> | <u>11,212</u> |
| | <u>428,562</u> | <u>265,987</u> |
| NOTE 13: GOVERNMENT GRANTS | | |
| At year end a significant portion of both cash and investments representing unexpended Government grants received in advance, fundraising commitments or to cover the long term sustainability of Surf Life Saving New South Wales, branches and clubs are restricted in their use and are not available to service normal operating costs. | | |
| Grants received in advance (Note 18) | 3,537,656 | 7,466,071 |
| Club capital development grants payable (Note 16) | <u>1,987,449</u> | <u>2,597,695</u> |
| Total restricted funds | <u>5,525,105</u> | <u>10,063,766</u> |
| NOTE 14: LEASE ASSETS AND LEASE LIABILITIES | | |
| (a) Lease assets | | |
| Office equipment under lease | 224,745 | 224,745 |
| Accumulated depreciation | <u>(142,339)</u> | <u>(97,390)</u> |
| Total carrying amount of lease assets | <u>82,406</u> | <u>127,355</u> |
| (b) Lease liabilities | | |
| CURRENT | | |
| Lease liability | <u>46,553</u> | <u>48,666</u> |
| NON CURRENT | | |
| Lease liability | <u>39,906</u> | <u>86,575</u> |
| Total carrying amount of lease liabilities | <u>86,459</u> | <u>135,241</u> |

SURF LIFE SAVING NEW SOUTH WALES AND CONTROLLED ENTITY
ABN: 93 827 748 379

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|---|--------------------|--------------------|
| | \$ | \$ |
| NOTE 15: PROPERTY, PLANT AND EQUIPMENT | | |
| Land | | |
| Freehold land at valuation | <u>13,755,000</u> | <u>13,755,000</u> |
| Buildings | | |
| At valuation | 6,695,000 | 6,695,000 |
| Accumulated depreciation | <u>(309,443)</u> | <u>(154,504)</u> |
| | <u>6,385,557</u> | <u>6,540,496</u> |
| Plant and equipment | | |
| Plant and equipment at cost | 2,858,598 | 2,685,414 |
| Accumulated depreciation | <u>(2,030,197)</u> | <u>(1,741,171)</u> |
| | 828,401 | 944,243 |
| Motor vehicles at cost | 2,739,473 | 1,801,249 |
| Accumulated depreciation | <u>(1,401,540)</u> | <u>(1,156,748)</u> |
| | 1,337,933 | 644,501 |
| Computer equipment at cost | 636,733 | 560,911 |
| Accumulated depreciation | <u>(475,813)</u> | <u>(290,368)</u> |
| | <u>160,920</u> | <u>270,543</u> |
| Total plant and equipment | <u>2,327,254</u> | <u>1,859,287</u> |
| Total property, plant and equipment | <u>22,467,811</u> | <u>22,154,783</u> |

(a) Valuations

The land and buildings at 1 and 3 Narabang Way, Belrose were valued at 30 June 2021. Fair value of the land is estimated based on appraisals performed by independent, professionally qualified property valuers.

SURF LIFE SAVING NEW SOUTH WALES AND CONTROLLED ENTITY
ABN: 93 827 748 379

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|--|-------------------|-------------------|
| | \$ | \$ |
| NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONTINUED) | | |
| (b) Reconciliations | | |
| Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year | | |
| <i>Land</i> | | |
| Opening and closing carrying amount | <u>13,755,000</u> | <u>13,755,000</u> |
| Closing carrying amount | <u>13,755,000</u> | <u>13,755,000</u> |
| <i>Buildings</i> | | |
| Opening carrying amount | 6,540,496 | 6,695,000 |
| Depreciation expense | <u>(154,939)</u> | <u>(154,504)</u> |
| Closing carrying amount | <u>6,385,557</u> | <u>6,540,496</u> |
| <i>Plant and equipment</i> | | |
| Opening carrying amount | 944,243 | 634,170 |
| Additions | 525,180 | 722,917 |
| Disposals | (7,421) | (14,226) |
| Depreciation expense | <u>(633,601)</u> | <u>(398,618)</u> |
| Closing carrying amount | <u>828,401</u> | <u>944,243</u> |
| <i>Motor vehicles</i> | | |
| Opening carrying amount | 644,501 | 797,513 |
| Additions | 1,230,055 | 340,149 |
| Disposals | (40,448) | (14,206) |
| Depreciation expense | <u>(496,175)</u> | <u>(478,955)</u> |
| Closing carrying amount | <u>1,337,933</u> | <u>644,501</u> |
| <i>Computer equipment</i> | | |
| Opening carrying amount | 270,543 | 296,798 |
| Additions | 75,744 | 151,769 |
| Depreciation expense | <u>(185,367)</u> | <u>(178,024)</u> |
| Closing carrying amount | <u>160,920</u> | <u>270,543</u> |

SURF LIFE SAVING NEW SOUTH WALES AND CONTROLLED ENTITY
ABN: 93 827 748 379

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|---|-------------------------|-------------------------|
| | \$ | \$ |
| NOTE 16: PAYABLES | | |
| CURRENT | | |
| <i>Unsecured liabilities</i> | | |
| Trade creditors | 1,402,567 | 1,146,393 |
| Other creditors | 440,338 | 376,752 |
| GST | 121,029 | 148,539 |
| Club capital development grants payable | 1,987,449 | 2,597,695 |
| Accrued expenses | <u>367,564</u> | <u>442,460</u> |
| | <u>4,318,947</u> | <u>4,711,839</u> |

NOTE 17: PROVISIONS

| | | |
|--------------------------|-------------------------|-------------------------|
| CURRENT | | |
| Employee benefits | 993,183 | 953,999 |
| Fundraising distribution | 1,320,093 | 1,163,344 |
| Restructure provision | <u>-</u> | <u>127,530</u> |
| | <u>2,313,276</u> | <u>2,244,873</u> |
| NON CURRENT | | |
| Employee benefits | <u>217,743</u> | <u>156,430</u> |
| | <u>217,743</u> | <u>156,430</u> |

(a) Description of provisions

The fundraising provision represents amounts payable to surf clubs out of funds raised by the Surf Life Saving Foundation for which amounts are transferred to Surf Life Saving New South Wales for distribution to surf clubs. The grants are payable in accordance with Board approved decisions and are subject to clubs meeting the requirements as stipulated in those decisions.

(b) Reconciliations

Reconciliation of the carrying amounts of provisions at the beginning and end of the current financial year

| | | |
|---------------------------------|-------------------------|-------------------------|
| <i>Fundraising distribution</i> | | |
| Opening balance | 1,163,344 | 1,010,256 |
| Additional amounts recognised | 956,404 | 988,788 |
| Amounts used | <u>(799,655)</u> | <u>(835,700)</u> |
| Closing balance | <u>1,320,093</u> | <u>1,163,344</u> |

SURF LIFE SAVING NEW SOUTH WALES AND CONTROLLED ENTITY
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|--|------------------|------------------|
| | \$ | \$ |
| NOTE 17: PROVISIONS (CONTINUED) | | |
| (b) Reconciliations (Continued) | | |
| <i>Restructure provision (current)</i> | | |
| Opening balance | 127,530 | - |
| Additional amounts recognised | - | 127,530 |
| Amounts used | <u>(127,530)</u> | <u>-</u> |
| Closing balance | <u>-</u> | <u>127,530</u> |
| NOTE 18: CONTRACT LIABILITIES | | |
| CURRENT | | |
| Contract liabilities - Grants received in advance | <u>3,537,656</u> | <u>7,466,071</u> |
| Contractual liabilities relate to grants received for ongoing projects that have not yet been recognised as income under AASB 15 as the performance obligation has not yet been met. | | |
| NOTE 19: RESERVES | | |
| Asset revaluation reserve | <u>8,296,625</u> | <u>8,296,625</u> |
| | <u>8,296,625</u> | <u>8,296,625</u> |

SURF LIFE SAVING NEW SOUTH WALES AND CONTROLLED ENTITY
ABN: 93 827 748 379

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

| 2023 | 2022 |
|------|------|
| \$ | \$ |

NOTE 20: FINANCIAL CONTINGENCIES

Surf Life Saving New South Wales joined the National Redress Scheme (NRS) as part of the Surf Life Saving Australia Participatory Group on behalf of its member clubs. Other members of this participatory group include Surf Life Saving Australia and other State Life Saving organisations. The Participatory group is structured to require each member to contribute funds that will be used for any potential claims under the NRS. Should this initial funding be fully utilised, any additional liability will be the responsibility of the member of the participatory group and / or its member club that has had a claim made against them. The NRS is open until 30 June 2027.

At reporting date the directors are not aware of any additional liability outside any claims that may have been made under NRS through the participatory group. However, there is a risk that future claims may be received. The extent and ultimate outcome of any future claims cannot be presently determined. Hence it is not practicable to make a reliable estimate of any liabilities that may arise in the future.

Surf Life Saving New South Wales is a party to a legal action that has arisen in the ordinary course of business in a prior year, related to activities of SLSNSW members at a SLSNSW event . Consideration has been given to this legal matter and the extent to which SLSNSW maybe liable. The ultimate outcome and/or quantum of any future settlement cannot be presently determined. Hence it is not practicable to make a reliable estimate of any liability that may arise in the future.

Apart from the above, the group has no other known material contingent assets or liabilities.

SURF LIFE SAVING NEW SOUTH WALES AND CONTROLLED ENTITY
ABN: 93 827 748 379

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|---|-------------------|-------------------|
| | \$ | \$ |
| NOTE 21: PARENT ENTITY DETAILS | | |
| Summarised presentation of the parent entity, Surf Life Saving New South Wales, financial statements: | | |
| (a) Summarised statement of financial position | | |
| Assets | | |
| Current assets | 20,688,911 | 23,783,743 |
| Non-current assets | <u>21,528,561</u> | <u>21,360,345</u> |
| Total assets | <u>42,217,472</u> | <u>45,144,088</u> |
| Liabilities | | |
| Current liabilities | 7,988,915 | 12,543,233 |
| Non-current liabilities | <u>146,334</u> | <u>159,410</u> |
| Total liabilities | <u>8,135,249</u> | <u>12,702,643</u> |
| Net assets | <u>34,082,223</u> | <u>32,441,445</u> |
| Equity | | |
| Retained earnings | 25,785,598 | 24,144,820 |
| Reserves | | |
| Asset revaluation reserve | <u>8,296,625</u> | <u>8,296,625</u> |
| Total equity | <u>34,082,223</u> | <u>32,441,445</u> |
| (b) Summarised statement of profit or loss and other comprehensive income | | |
| Surplus for the year | 1,640,778 | 731,195 |
| Other comprehensive income for the year | <u>-</u> | <u>-</u> |
| Total comprehensive income for the year | <u>1,640,778</u> | <u>731,195</u> |

SURF LIFE SAVING NEW SOUTH WALES AND CONTROLLED ENTITY
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 22: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 30 June 2023 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2023, of the group, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2023, of the group.

NOTE 23: MEMBERS' GUARANTEE

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, clause 13, (Members' Liabilities) of the Constitution states that each member is required to contribute towards the debts and liabilities or the costs, charges and expenses of the winding up of the company as to the amount, if any, as required to be paid in accordance with Rule 15 (Affiliation, Membership and Insurance Levy Fees), of the Constitution.

NOTE 24: INTERESTS IN SUBSIDIARIES

Surf Life Saving Services Pty Ltd (SLSS) is the subsidiary of SLS NSW. SLSS is registered with the ACNC and is endorsed with Deductible Gift Recipients status.

| | Country of incorporation | Ownership interest | |
|-----------------------------------|--------------------------|--------------------|------|
| | | 2023 | 2022 |
| | | % | % |
| Surf Life Saving Services Pty Ltd | Australia | 100 | 100 |

NOTE 25: ECONOMIC DEPENDENCY

Surf Life Saving New South Wales is dependent on the ongoing receipt of financial assistance from the NSW Government to continue delivering its programs and services. The existing NSW Government funding agreement expired on 30 June 2023. The NSW Government has agreed in principle to extend financial assistance to Surf Life Saving New South Wales for the period 1 July 2023 to 30 June 2027, with the agreement expected to be signed late September 2023. This \$40.8 million funding agreement (over 4 years) expands the NSW Government's financial assistance to Surf Life Saving New South Wales, including new grants for Member Welfare, Zone Emergency Officers, installation of Emergency Response Beacons (ERB's) and significant radio network upgrades, as well as ongoing support for branch administration, capability building initiatives including member training, jetski and motor vehicle renewal, community education, coastal safety research and the State Operations Centre IT and personnel requirements. Additional assistance outside of this agreement has been committed by the NSW Government through programs directly managed by government back to SLSNSW Clubs via increases in funding through the Surf Club Facility Grant program. At the time of this report, the directors have no reason to believe that the Government will discontinue its support of Surf Life Saving New South Wales.

SURF LIFE SAVING NEW SOUTH WALES AND CONTROLLED ENTITY
ABN: 93 827 748 379

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|--|------------------|------------------|
| | \$ | \$ |
| NOTE 26: INFORMATION AND DECLARATIONS TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT 1991. | | |
| Aggregate gross income received from all sources | | |
| Bequests | 251,000 | 41,694 |
| Donations received from general public | 2,882 | 6,400 |
| Donations received from corporations | 333,783 | 287,152 |
| Donations received from Surf Life Saving Foundation | <u>2,471,709</u> | <u>2,883,159</u> |
| | 3,059,374 | 3,218,405 |
| Fundraising Expenditure | | |
| Direct fundraising expenses | <u>20,218</u> | <u>23,174</u> |
| Net surplus | <u>3,039,156</u> | <u>3,195,231</u> |
| <p>Surf Life Saving New South Wales benefits from donations received from the Surf Life Saving Foundation. In addition, donations were received from various corporations during the year.</p> <p>Surf Life Saving New South Wales was the beneficiary of various bequests during the 2022/2023 year, and from various members of the public through 'regular giving' platforms such as Good to Give.</p> <p>No other specific appeals were conducted during the financial year.</p> | | |
| Statement showing how funds were applied for charitable purposes | | |
| Expenditure on supporting the conduct, encouragement, promotion and administration of surf lifesaving in New South Wales. | <u>3,039,156</u> | <u>3,195,231</u> |
| Total Unspent Funding | <u>-</u> | <u>-</u> |
| Financial Ratios | | |
| Direct cost of fundraising/ Gross proceeds from fundraising appeals (%) | 1 | 1 |
| Net surplus obtained from fundraising appeals/ Gross proceeds from fundraising appeals (%) | <u>99</u> | <u>99</u> |

SURF LIFE SAVING NEW SOUTH WALES AND CONTROLLED ENTITY
ABN: 93 827 748 379

DIRECTORS' DECLARATION

The directors of the company declare that:

1. In the directors' opinion, the financial statements and notes thereto, as set out on pages 10 - 33, satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - (a) complying with Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Regulations 2022*; and
 - (b) giving a true and fair view of the financial position as at 30 June 2023 and performance for the year ended on that date of the group.
2. In the directors opinion, there are reasonable grounds to believe that the company is able to pay all of its debts, as and when they become due and payable.
3. Pursuant to the *NSW Charitable Fundraising Regulations 2021*;
 - (a) the Statement of Profit or Loss and Other Comprehensive Income is drawn up so as to give a true and fair view of income and expenditure of the group for the year ended 30 June 2023 with respect to fundraising appeals;
 - (b) the Statement of Financial Position is drawn up so as to give a true and fair view of the state of affairs of the group as at 30 June 2023 with respect to the fundraising appeals;
 - (c) the provisions of the Charitable Fundraising Act 1991 and the regulations under the Act and the conditions attached to the group have been complied with for the year ended 30 June 2023; and
 - (d) the internal controls exercised by the company are appropriate and effective accounting for all income received and applied by the group from any of the fundraising appeals.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulations 2022*.

Director: 
Peter Agnew ESM

Director: 
Paul Bolton

Dated this 20 day of September 2023

Pitcher Partners Sydney Partnership

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SURF LIFE SAVING NEW SOUTH WALES
ABN: 93 827 748 379

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SURF LIFE SAVING NEW SOUTH WALES**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Surf Life Saving New South Wales ("the company") and its subsidiary ("the group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the financial report of the group has been prepared 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 group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

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 group 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.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the group's annual report for the year ended 30 June 2023 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

SURF LIFE SAVING NEW SOUTH WALES
ABN: 93 827 748 379

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SURF LIFE SAVING NEW SOUTH WALES**

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures and the ACNC Act, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the group's financial reporting process.

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 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 group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of the group'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 group'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 group 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.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SURF LIFE SAVING NEW SOUTH WALES**

We communicate with the directors 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.

Report on Other Legal and Regulatory Requirements

Charitable Fundraising Act 1991

In our opinion:

- (a) The financial statements of Surf Life Saving New South Wales show a true and fair view of the financial results of the charitable and fundraising activities for the year ended 30 June 2023.
- (b) The financial statements and associated records of Surf Life Saving New South Wales have been properly kept during the year in accordance with the *Charitable Fundraising Act 1991*.
- (c) Money received as a result of charitable and fundraising activities conducted during the year has been properly accounted for and applied in accordance with the Act; and
- (d) There are reasonable grounds to believe Surf Life Saving New South Wales will be able to pay its debts as and when they fall due.



Mark Godlewski
Partner



Pitcher Partners
Sydney

21 September 2023