

Macksville-Scotts Head S.L.S.C. Incorporated

31 637 315 870

Financial Statements

For the Year Ended 31 May 2018

Macksville-Scotts Head S.L.S.C. Incorporated

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Contents

For the Year Ended 31 May 2018

	Page
Financial Statements	
Auditor's Independence Declaration	1
Statement of Profit and Loss and Other Comprehensive Income	2
Statement of Financial Position	4
Statement of Changes in Equity	5
Notes to the Financial Statements	6
Statement by Members of the Committee	11
Independent Audit Report	12



Auditors Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012

To the Management Committee of Macksville Scotts Head Surf Life Saving Club Inc.

I declare that, to the best of my knowledge and belief, during the year ended 31 May 2018, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *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.

HLV Audit Pty Ltd

Angela Holladay

27 July 2018

Macksville NSW

MACKSVILLE

18 Wallace Street
PO Box 27
MACKSVILLE NSW 2447

P 02 6568 3000
F 02 6568 1600
E macksville@hlv.com.au

NAMBUCCA HEADS

7 Mann Street
PO Box 8
NAMBUCCA HEADS NSW 2448

P 02 6568 6197
F 02 6568 7144
E nambucca@hlv.com.au

URUNGA

15 Bonville Street
URUNGA NSW 2455

P 02 6655 5530
F 02 6655 5530
E urunga@hlv.com.au

HLV AUDIT PTY LTD

ABN 70 606 296 431
AAC 478051

W www.hlv.com.au
E info@hlv.com.au

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Macksville-Scotts Head S.L.S.C. Incorporated

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Profit and Loss Account
For the Year Ended 31 May 2018

	2018	2017
	\$	\$
Income		
Bar sales	86,702	94,000
Carnival income	19,841	9,600
Raffles	2,852	356
Functions	1,618	1,565
Membership fees	7,895	8,751
Life saving training awards fees	-	1,055
First aid course fees	436	340
Equipment hire	50	1,242
Rental income	12,644	8,547
Costumes/caps sales	818	177
Donations	18,047	23,303
Interest received	1,504	1,903
Government subsidies	30,023	23,405
Sundry income	-	1,412
Total income	182,430	175,656
Less: Expenses		
Auditors remuneration	2,500	-
Bank charges	6	33
Bar purchases	52,684	49,641
Cleaning	13,142	6,571
Costume / caps purchases	6,385	3,124
Carnival and functions expenses	12,718	9,536
Consumables	-	1,924
Depreciation	32,595	22,798
Electricity	5,098	4,665
Gas	2,025	1,122
Insurance	9,188	7,945
Nipper BBQ expenses	1,046	254
Patrol requirements	-	3,041
Petty cash expenditure	-	255
Repairs and maintenance	9,218	8,377
RSA training	-	1,200

The accompanying notes form part of these financial statements.

Macksville-Scotts Head S.L.S.C. Incorporated

31 637 316 870

Profit and Loss Account
For the Year Ended 31 May 2018

	2018	2017
	\$	\$
Small plant & equipment	9,487	23,063
Sundry expenses	981	892
Telephone and internet	1,163	1,176
Training expenses awards guides	627	4,468
Trophies	999	1,456
Waste disposal	1,787	2,082
Total Expenses	161,649	153,623
	20,781	22,033
Other items:		
Loss on disposal of assets	(76)	-
Loss on inventory write-off	-	(5,890)
	(76)	(5,890)
Profit / (loss) for the year	20,705	16,143

The accompanying notes form part of these financial statements.

Macksville-Scotts Head S.L.S.C. Incorporated

31 637 315 870

Statement of Financial Position

31 May 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	140,549	116,345
Trade and other receivables		1,500	11,031
Stock on hand		6,167	3,008
TOTAL CURRENT ASSETS		148,216	130,384
NON-CURRENT ASSETS			
Financial assets		10	10
Buildings & property improvements	6	591,889	607,999
Plant and equipment	6	57,817	41,611
TOTAL NON-CURRENT ASSETS		649,716	649,620
TOTAL ASSETS		797,932	780,004
LIABILITIES			
CURRENT LIABILITIES			
GST payable		539	112
Income in advance		-	3,204
Deposits		570	570
TOTAL CURRENT LIABILITIES		1,109	3,886
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		1,109	3,886
NET ASSETS		796,823	776,118
MEMBERS' FUNDS			
Retained profits		796,823	776,118
TOTAL MEMBERS' FUND		796,823	776,118

The accompanying notes form part of these financial statements.

Macksville-Scotts Head S.L.S.C. Incorporated

31 637 315 870

Statement of Changes in Equity

For the Year Ended 31 May 2018

2018

	Retained Earnings	Total
	\$	\$
Balance at 1 June 2017	776,118	776,118
Profit / (loss) for the year	20,705	20,705
Balance at 31 May 2018	<u>796,823</u>	<u>796,823</u>

2017

	Retained Earnings	Total
	\$	\$
Balance at 1 June 2016	759,975	759,975
Profit / (loss) for the year	16,143	16,143
Balance at 31 May 2017	<u>776,118</u>	<u>776,118</u>

The accompanying notes form part of these financial statements.

Macksville-Scotts Head S.L.S.C. Incorporated

31 637 315 870

Notes to the Financial Statements For the Year Ended 31 May 2018

The financial statements cover Macksville-Scotts Head S.L.S.C. Incorporated as an individual entity. Macksville-Scotts Head S.L.S.C. Incorporated is a not-for-profit Association incorporated in New South Wales under the *Associations Incorporation Act (NSW) 2009* and *Associations Incorporation Regulation (NSW) 2010* ("the Act").

The principal activities of the Association for the year ended 31 May 2018 were to provide a surf life-saving service to the local community.

The functional and presentation currency of Macksville-Scotts Head S.L.S.C. Incorporated is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the opinion of the Committee of Management, the Association is not a reporting entity since there are unlikely to exist users of the financial report who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the Act.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards - RDR and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

2 Summary of Significant Accounting Policies

(a) Income Tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Government subsidies

Government subsidies are recognised in the profit and loss when the entity obtains control of the money, it is probable that the economic benefits gained from the subsidies will flow to the entity and the amount of the subsidies can be measured reliably.

Notes to the Financial Statements

For the Year Ended 31 May 2018

2 Summary of Significant Accounting Policies

(b) Revenue and other income

Donations

Donations and bequests are recognised as revenue when received.

Interest revenue

Interest is recognised using the effective interest method.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Rental income

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Other income

Other income is recognised on an accruals basis when the Association is entitled to it.

(c) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax 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 statement of financial position are shown inclusive of GST.

(d) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received.

(e) Property, plant and equipment

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Macksville-Scotts Head S.L.S.C. Incorporated

31 637 316 870

**Notes to the Financial Statements
For the Year Ended 31 May 2018**

2 Summary of Significant Accounting Policies

(e) Property, plant and equipment

Depreciation

Property is depreciation on a prime cost basis and, plant and equipment is depreciated on a diminishing value basis over the assets useful life to the Association, commencing when the asset is ready for use. The rates used are as follows:

Building and Building improvements	2.5%	PC
Plant and Equipment	10% - 30%	DV

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3 Critical Accounting Estimates and Judgments

The committee members make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Association assesses impairment at the end of each reporting period by evaluating conditions specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

4 Fund Raising

(a) Fundraising Monies

All net proceeds of fund raising activities are to be applied toward the acquisition and repair of the lifesaving equipment, the provision of life saving services and to provide resources for the Club members'.

Macksville-Scotts Head S.L.S.C. Incorporated

31 637 315 870

Notes to the Financial Statements
For the Year Ended 31 May 2018

4 Fund Raising

(b) Fundraising Activities

	2018	2017
	\$	\$
Gross Proceeds from Fundraising		
Raffles and 100 Club	2,852	1,356
Functions	1,618	1,565
Total proceeds from fundraising	4,470	2,921
Cost of Fundraising		
Raffles	-	-
Functions	2,438	3,569
Total costs of fundraising	2,438	3,569
Net surplus / (deficit) from fundraising	2,032	(648)

5 Cash and Cash Equivalents

	2018	2017
	\$	\$
Cash at bank and in hand	52,026	49,326
Short-term deposits	88,523	67,019
	140,549	116,345

6 Property, plant and equipment

	2018	2017
	\$	\$
BUILDINGS AND PROPERTY IMPROVEMENTS		
Buildings at valuation	295,000	295,000
Property improvements at cost	349,400	349,400
Accumulated depreciation	(52,511)	(36,401)
Total buildings and property improvements	591,889	607,999
PLANT AND EQUIPMENT		
Plant and equipment at cost	226,588	194,529
Accumulated depreciation	(168,771)	(152,918)
Total plant and equipment	57,817	41,611
Total property, plant and equipment	649,706	649,610

Macksville-Scotts Head S.L.S.C. Incorporated

31 637 315 870

Notes to the Financial Statements

For the Year Ended 31 May 2018

7 Contingencies

In the opinion of the Committee of Management, the Association did not have any contingencies at 31 May 2018 (31 May 2017: None).

8 Related Parties

The Association's main related parties are Committee members and their close family members. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. There were no related party transactions during the year.

9 Events after the end of the Reporting Period

The financial report was authorised for issue on 28 July 2018 by the Committee of Management. No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

Macksville-Scotts Head S.L.S.C. Incorporated

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Statement by Members of the Committee

The committee has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

In the opinion of the committee the financial report as set out on pages 2-10:

1. Presents fairly the financial position of Macksville-Scotts Head S.L.S.C. Incorporated as at 31 May 2018 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Macksville-Scotts Head S.L.S.C. Incorporated will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:

Secretary.....*Michael Coulter*.....
Michael Coulter

Treasurer.....*Chris Bell*.....
Chris Bell

Dated this *28th* day of *July* 2018



Macksville-Scotts Head S.L.S.C. Incorporated

31 637 315 870

Independent Audit Report to the members of Macksville-Scotts Head S.L.S.C. Incorporated

Report on the Financial Report

We have audited the accompanying financial report being a special purpose financial report, of Macksville-Scotts Head S.L.S.C. Incorporated, which comprises the statement of financial position as at 31 May 2018, the statement of profit or loss and other comprehensive income and the statement of changes in equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by members of the committee.

Officers' Responsibility for the Financial Report

The officers of Macksville-Scotts Head S.L.S.C. Incorporated are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1, is appropriate to meet the requirements of the Associations Incorporation Act (NSW) 2009 and Associations Incorporation Regulation (NSW) 2010 and is appropriate to meet the needs of the members. The officers' responsibility also includes such internal control as the officers determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

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

MACKSVILLE

18 Wallace Street
PO Box 27
MACKSVILLE NSW 2447

P 02 6568 3000
F 02 6568 1600
E macksville@hlv.com.au

NAMBUCCA HEADS

7 Mann Street
PO Box 8
NAMBUCCA HEADS NSW 2448

P 02 6568 6197
F 02 6568 7144
E nambucca@hlv.com.au

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F 02 6655 5530
E urunga@hlv.com.au

HLV AUDIT PTY LTD

ABN 70 606 296 431
AAC 478051

W www.hlv.com.au
E info@hlv.com.au

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**Independent Audit Report to the members of Macksville-Scotts Head
S.L.S.C. Incorporated**

Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Macksville-Scotts Head S.L.S.C. Incorporated as at 31 May 2018, and its financial performance and its cash flows for the year then ended in accordance with Associations Incorporation Act (NSW) 2009 and Associations Incorporation Regulation (NSW) 2010.

HLV Audit Pty Ltd

A handwritten signature in cursive script that reads 'A Holladay'.

Angela Holladay, CA, CPA

Macksville, NSW 2447

Dated this 28th day of July 2018