

**LIFE SAVING VICTORIA LIMITED**  
**ACN 102 927 364**

**30 JUNE 2011**  
**ANNUAL FINANCIAL REPORT**

**LIFE SAVING VICTORIA LIMITED**  
**ACN 102 927 364**

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**LIFE SAVING VICTORIA**  
**ACN 102 927 364**

**DIRECTORS REPORT (Continued)**

This Report is made pursuant to the Corporations Act 2001

**COMPANY PARTICULARS**

The registered office of the Company is:

Life Saving Victoria Limited  
200 The Boulevard  
Port Melbourne VIC 3207

Life Saving Victoria Limited is a company limited by guarantee, incorporated in Australia and having its principal place of business at the address listed above.

The directors present their report together with the financial statements of Life Saving Victoria Limited for the year ended 30 June 2011 and the Auditor's Report thereon.

**DIRECTORS**

The directors in office at any time during the year and to the date of this report are :-

Michael Martin President  
Andrew Doyle – Resigned February 2011  
Nicolas Hall  
Nancy Joseph  
Dr Michael Kennedy OAM  
Stuart Mackinnon  
Richard Mitchell – Appointed August 2010  
Neil Morarty OAM – Resigned August 2010  
Mark Scott  
Ian Swan - Resigned October 2010  
Stuart Wall – Appointed February 2011  
Martin Walsh

Directors have been in office since the start of the financial year to report date unless otherwise stated.

**PRINCIPAL ACTIVITIES**

The principal activities of Life Saving Victoria are Lifesaving Services and Water Safety and Education and Training.

**SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

There have been no significant changes in the state of affairs of the Company.

**RESULT AND REVIEW OF OPERATIONS**

The financial activities for Life Saving Victoria (LSV) resulted in an operating surplus before building amortisation of \$235,336 and a consolidated loss for 2010-11 for the Company of \$87,353 (loss of \$158,629 in 2009-10). This result is after charging amortisation costs for LSV's Headquarters and Education Centre of \$322,689 (\$322,689 in 2009-10).

Fundraising activities undertaken by the Surf Life Saving Foundation on behalf of Life Saving Victoria are reported in the income category "Fundraising and Donations" and amounted to \$186,143 this year (\$297,170 in 2009-10). These funds form part of a funding base that Life Saving Victoria is establishing towards a target of \$3 million to provide a sustainable not for profit organisation.

As highlighted last year LSV continues to benefit from significant grant funding and this represents some 37% of total income. The major element was funding provided under the Victorian Government's Play it Safe by the Water Program totalling \$1,941,454 for a broad range of water safety programs.

Key grants for direct club assistance were

- Community Support Emergency Services Program Grants \$328,634
- Club Administration Support Grants \$155,350
- Special Club Administration Assistance Grants \$290,000
- Club Risk Management Assistance Grants \$145,000

The need for provision of specialist water safety programs and education within multicultural communities was again acknowledged by the State Government with \$308,000 being made available for this purpose in 2010-11.

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**DIRECTORS REPORT (Continued)**

The Function Centre and Café activities were previously conducted under a joint venture arrangement between LSV and the Box Hill Institute of TAFE. The parties agreed to terminate the joint venture effective 30 June 2010. From 1 July 2010 LSV has assumed responsibility for managing activities and renamed the Function Centre – “Lifeguards at 200”. For the 2010-11 year a positive contribution of \$95,547 was achieved.

As part of the finalisation of the Joint Venture arrangements with the Box Hill Institute of TAFE the loan of \$385,000 was repaid in September 2010 and at balance date LSV is debt free.

**DIVIDENDS**

The Memorandum of Association of the chief entity provides that no income or property of the entity, shall be paid or transferred directly or indirectly by way of dividends to the members. Accordingly no dividend has been declared or paid since incorporation.

**SUBSEQUENT EVENTS**

Since the end of the financial year and the date of this report no significant transaction or events have occurred.

**LIKELY DEVELOPMENTS**

There are no likely developments in the operations of the economic entity subsequent to this financial year, that on reasonable grounds, the directors wish to disclose, as it would be likely to result in unreasonable prejudice to the economic entity.

**INFORMATION ON DIRECTORS**

<b>Mr Michael Martin</b>	President Life Saving Victoria Ltd
Experience	Appointed November 2002
Occupation	Company Director, Chemical Engineer
Meetings	10 - 10
<b>Mr Andrew Doyle</b>	Director Life Saving Victoria Ltd
Experience	Appointed September 2009 – Resigned February 2011
Meetings	3-5
<b>Mr Nicolas Hall</b>	Director Life Saving Victoria Ltd
Experience	Appointed August 2006
Occupation	Aquatics Manager
Meetings	10 - 10
<b>Ms Nancy Joseph</b>	Director Life Saving Victoria Ltd
Experience	Appointed March 2006
Occupation	Community & Stakeholder Manager
Meetings	10 - 10
<b>Dr Michael Kennedy OAM</b>	Director Life Saving Victoria Ltd
Experience	Appointed November 2002
Occupation	Chief Executive Officer – Local Government
Meetings	10 - 10
<b>Mr Stuart Mackinnon</b>	Director Life Saving Victoria Ltd
Experience	Appointed December 2007
Occupation	Registered Builder
Meetings	6 - 10
<b>Mr Richard Mitchell</b>	Director Life Saving Victoria Ltd
Experience	Appointed August 2010
Occupation	Senior Site Manager
Meetings	5 - 9
<b>Mr Neil Morarty OAM</b>	Director Life Saving Victoria Ltd
Experience	Appointed November 2002 – Resigned August 2010
Occupation	Retired Executive
Meetings	1 - 1
<b>Mr Mark Scott</b>	Director Life Saving Victoria Ltd
Experience	Appointed July 2006
Occupation	Sub Contractor
Meetings	8 - 10

**LIFE SAVING VICTORIA**  
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**DIRECTORS REPORT (CONTINUED)**

**INFORMATION ON DIRECTORS (Continued)**

<b>Mr Ian Swan</b>	Director Life Saving Victoria Ltd
Experience	Appointed December 2008 – Resigned October 2010
Occupation	Chief Executive Officer
Meetings	1 - 3

<b>Mr Stuart Wall</b>	Director Life Saving Victoria Ltd
Experience	Appointed February 2011
Occupation	Project Manager
Meetings	4 - 5

<b>Mr Martin Walsh</b>	Director Life Saving Victoria Ltd
Experience	Appointed December 2006
Occupation	Partner in Public Accounting Practice
Meetings	9 - 10

**Meetings of Directors**

During the financial year 10 meetings of Directors were held.

The number of meetings attended by each Director during the year is stated earlier in the report.

**COMMITTEE MEMBERSHIPS**

At 30 June 2011 the Company had an Audit and Finance Committee, Governance Committee and Honours and Awards Committee of the Board of Directors. Members acting on the Committees of the Board during the year were :-

**Audit and Finance Committee**

Martin Walsh (Chair), Neil Hough\* Dr Michael Kennedy OAM, Garry Martin\* and Neil Morarty OAM.

**Governance Committee**

Dr Michael Kennedy OAM (Chair), Matthew Finnis\* and Jennifer Maclean\*.

**Honours and Awards Committee**

Michael Martin (Chair), Neil Morarty OAM\*, Christopher Baker\*, Andrew Barnes\*, Dr Graham Cato\*, Genevieve Lehmann\*, Dianne Montalto ESM\* and Belinda Porter\*.

\*= Non-Director

**INDEMNIFICATION AND INSURANCE OF OFFICERS**

***Indemnification***

The Company has agreed to indemnify the current and former directors against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors of the Company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company has agreed to indemnify the Chief Executive Officer for all liabilities to another person (other than the Company or a related body corporate) that may arise from their position in the Company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including legal fees.

***Insurance premiums***

Since the end of the previous financial year, the Company has paid insurance premiums of \$13,742 in respect of directors' and officers' liability and legal expenses insurance contracts, for current and former directors and officers through to the year ended 15 July 2011. Such insurance contracts insure persons who are or have been directors or officers of the Company against certain liabilities (subject to certain exclusions).

**PROCEEDINGS ON BEHALF OF THE ENTITY**

No person applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings.

The entity was not party to any such proceedings during the year.

DIRECTORS REPORT (CONTINUED)

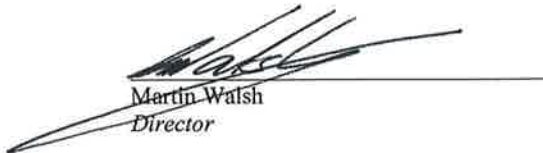
**AUDITORS' INDEPENDENCE DECLARATION**

The auditors' independence declaration is set out on page 26 and forms part of the Directors Report for the financial year 2011. This financial report is made with a resolution of the Directors.

Signed in accordance with a resolution of the Directors:



Michael Martin  
*Director*



Martin Walsh  
*Director*

Melbourne, 10<sup>th</sup> October 2011

**LIFE SAVING VICTORIA LIMITED**  
**ACN 102 927 364**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
<b>REVENUE</b>			
Sales		826,844	817,593
Fees and Memberships		3,044,588	2,938,499
Grants		3,620,750	4,226,585
Sponsorships		1,282,388	869,715
Surf Lifesaving Foundation Distributions		186,143	297,171
Other Fundraising and Donations		128,859	95,273
Function Centre		442,249	-
Interest Income		125,283	101,813
Realised gain on sale of Assets		18,287	46,132
Other Revenue		33,909	168,469
<b>TOTAL REVENUE</b>		<b>9,709,300</b>	<b>9,561,250</b>
<b>EXPENSES</b>			
Cost of Sales		627,641	663,640
Life Saving Operations		1,057,090	1,096,790
Training and Education Programs		1,895,943	2,095,008
Commercial Operations		1,710,610	1,452,735
Grant Distributions		1,489,573	1,604,686
Fundraising		195,588	221,437
Function Centre		346,702	-
Corporate Administration		1,807,954	1,695,254
Depreciation		599,463	630,016
Interest		-	-
Other Expenses		66,089	227,539
<b>TOTAL EXPENSES</b>		<b>9,796,653</b>	<b>9,687,105</b>
Share of surplus (deficit) of joint venture accounted for by the equity method		-	(32,774)
<b>(LOSS) FOR THE PERIOD</b>		<b>(87,353)</b>	<b>(158,629)</b>
<b>COMPREHENSIVE RESULT ATTRIBUTABLE TO THE MEMBERS</b>		<b>(87,353)</b>	<b>(158,629)</b>

The accompanying notes form part of these financial statements

**LIFE SAVING VICTORIA LIMITED**  
**ACN 102 927 364**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2011**

	Note	2011 \$	2010 \$
<b>ASSETS</b>			
Cash and cash equivalents	4	2,469,302	2,408,166
Trade and other receivables	5	1,126,312	395,139
Inventories		123,536	155,333
<b>TOTAL CURRENT ASSETS</b>		<u>3,719,150</u>	<u>2,958,638</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	5,308,650	5,829,043
<b>TOTAL NON-CURRENT ASSETS</b>		<u>5,308,650</u>	<u>5,829,043</u>
<b>TOTAL ASSETS</b>		<u>9,027,800</u>	<u>8,787,681</u>
<b>LIABILITIES</b>			
Trade and other payables	8	1,651,238	1,046,841
Other financial liabilities	9	-	385,000
Short term provisions	10	567,016	433,785
<b>TOTAL CURRENT LIABILITIES</b>		<u>2,218,254</u>	<u>1,865,626</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term provisions	10	8,020	33,175
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>8,020</u>	<u>33,175</u>
<b>TOTAL LIABILITIES</b>		<u>2,226,274</u>	<u>1,898,802</u>
<b>NET ASSETS</b>		<u>6,801,526</u>	<u>6,888,879</u>
<b>EQUITY</b>			
Retained surplus		6,801,526	6,888,879
<b>TOTAL EQUITY</b>		<u>6,801,526</u>	<u>6,888,879</u>

The accompanying notes form part of these financial statements

**LIFE SAVING VICTORIA LIMITED**  
**ACN 102 927 364**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2011**

	<b>Retained Earnings</b>
	<b>2011</b>
	<b>\$</b>
<b>Balance at 1 July 2009</b>	7,047,508
(Loss) for the period	(158,629)
<b>Balance at 30 June 2010</b>	<u>6,888,879</u>
(Loss) for the period	(87,353)
<b>Balance at 30 June 2011</b>	<u><u>6,801,526</u></u>

The accompanying notes form part of these financial statements.

**LIFE SAVING VICTORIA LIMITED**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from sponsors, donors and customers		9,588,456	10,615,350
Cash paid to suppliers and employees		(9,206,820)	(10,389,257)
Interest received		125,283	101,813
<b>Net cash provided by operating activities</b>	12	506,919	327,906
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant & equipment		(108,283)	(324,547)
Proceeds on disposal of property, plant & equipment		47,500	125,188
<b>Net cash used in investing activities</b>		(60,783)	(199,359)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		385,000	-
<b>Net cash provided by financing activities</b>		(385,000)	-
<b>Net (decrease)/increase in cash &amp; cash equivalents held</b>		61,136	128,547
<b>Cash and cash equivalents at the beginning of the financial year</b>		2,408,166	2,279,619
<b>Cash and cash equivalents at the end of the financial year</b>	4	2,469,302	2,408,166

The accompanying notes form part of these financial statements.

**LIFE SAVING VICTORIA LIMITED**  
**ACN 102 927 364**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2011**

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board, and the Corporations Act 2001.

The financial report covers Life Saving Victoria Limited as the chief entity.

The financial report of Life Saving Victoria Limited complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**Basis of preparation**

The accounting policies set out below have been consistently applied to all years presented.

**Reporting Basis and Conventions**

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

**Accounting Policies**

**(a) Revenue Recognition**

Income is recognised as revenue at the time the company obtains control over the assets, this usually occurs upon receipt of the funds from the customer, fees and memberships received from members and sponsorships, fundraising and donations received from contributors.

Grant Income is recognised when the company obtains control over the assets comprising these receipts. Control over granted assets is normally obtained upon their receipt (or acquittal) and are valued at their fair value at the date of transfer.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at the year end the unused grant or contribution is disclosed as Income in Advance.

**(b) Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). 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 are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet. Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

**(c) Income Tax Expense**

The Company has received an income tax exemption as a public benevolent institution in accordance with Subdivision 50-B of the Income Tax Assessment Act 1997.

**LIFE SAVING VICTORIA LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2011**

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)**

(d) Employee Benefits

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

(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 losses.

Property, plant and equipment are measured on the cost basis less depreciation and impairment losses. The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, is depreciated on a straight-line basis over their useful lives commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Leasehold Improvements	20 years	Motor Vehicles	4 years
Other Assets	2 to 5 years		

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Personal computers and laptop computers are no longer regarded as assets and their carrying values were fully written down as at 30 June 2011

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

Impairment

At each reporting date, the Company reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Leasehold Improvements

Leasehold Improvements represent the construction costs of the State Headquarters building in Port Melbourne. The asset is being amortised over 20 years in accordance with the term of the lease for the land from Port of Melbourne Corporation.

(f) Inventories

Inventories are valued at lower of cost or net realisable value.

**LIFE SAVING VICTORIA LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2011**

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)**

(g) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Company are classified as finance leases. The entity has not entered into any Finance Leases.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(h) Trade and other receivables

Trade and other receivables are carried at amounts receivable. The collectability of debts is assessed on an ongoing basis and specific provision is made for any accounts where the debt is considered unlikely to be collected. Debts which are uncollectable are written off.

(i) Trade and other payables

Trade and other payables represent the liability outstanding to the end of the financial reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of the recognition of the liability.

(j) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments and bank overdrafts. Bank overdrafts are shown as part of cash and cash equivalents and reduce the amount shown as cash at bank.

(k) Interest income

Interest income is recognised as it accrues.

(l) Interest in Joint Ventures

The investment in Joint Venture is accounted for by the equity method as Life Saving Victoria has the ability to influence rather than control the operations of the entity. The investment is initially recorded at the cost of acquisition and adjusted thereafter for post acquisition changes in Life Saving Victoria's share of the net assets of the entity. Life Saving Victoria's share of the financial result of the entity is recognised in the Income Statement. Details of the interest in the Joint Venture are shown in Note 6.

The Joint Venture was terminated effective 30 June 2010.

**LIFE SAVING VICTORIA LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2011**

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)**

(m) Adoption of New and Revised Accounting Standards

During the current year the company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements.

AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a minimum funding requirement [AASB Interpretation 14]	Amendment to Interpretation 14 arising from the issuance of Prepayments of a minimum funding requirement	Beginning 1 Jan 2011	Expected to have no significant impact.
AASB 9 Financial instruments	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial instruments: recognition and measurement (AASB 139 financial Instruments: recognition and measurement).	Beginning 1 Jan 2013	Detail of impact is still being assessed.
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12]	This gives effect to consequential changes arising from the issuance of AASB 9.	Beginning 1 Jan 2013	Detail of impact is still being assessed.
<i>AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 &amp; 1031 and Interpretations 2, 4, 16, 1039 &amp; 1052]</i>	Makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. Also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures.	Beginning 1 Jan 2011	The amendments are not expected to impact the Company.

In addition to Accounting Standards listed above the AASB has also released a number of other Accounting Standards and Australian Interpretations. The application of these Accounting Standards and Australian Interpretations are also not expected to have any significant impact on the Company's financial statements. Consequently, they have not been specifically identified above.

**NOTE 2: SEGMENT INFORMATION**

Segment information is presented in respect of the Company's business and geographic segments. The primary format and business segments are based on the Company's management and internal reporting structure.

The Company operates in the one geographic segment, Australia and a single business segment being water safety.

**LIFE SAVING VICTORIA LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2011**

<b>NOTE 3: AUDITORS REMUNERATION</b> <i>Audit services</i>	<b>2011</b> \$	<b>2010</b> \$
Auditors to the Company	26,210	24,550

**NOTE 4: CASH AND CASH EQUIVALENTS**

Operating Bank Accounts	950,352	590,116
Term Deposits	1,517,000	1,817,000
Other	1,950	1,050
Total Cash and Cash Equivalents	2,469,302	2,408,166

Included in the cash balance above is the amount of \$977,620 (\$832,721 2010) in respect of income received in advance as per Note 8 where the related service provision has yet to be fulfilled. The service is expected to be provided within the next 12 months. Cash balances are held to meet the ongoing financial management of the organisation.

**NOTE 5: TRADE AND OTHER RECEIVABLES**

**CURRENT**

Trade Accounts Receivable	1,123,841	319,555
Provision for Doubtful Debts	(22,700)	(33,300)
	1,101,141	286,255
Other Receivables and Prepayments	25,171	108,884
Total Trade and Other Receivables	1,126,312	395,139

(a) Provision for Doubtful Debts

Current trade receivables are generally on 30 day terms. These receivables are assessed for recoverability and a provision made for doubtful debts is recognised when there is objective evidence that an individual trade receivable is doubtful. These amounts have been included in other expense items. Movements in the provision for doubtful debts are as follows :

Balance at 1 July 2010	33,300	41,750
Charge for the year	(7,909)	(3,259)
Less - Amounts written off	2,691	5,191
Balance at 30 June 2011	22,700	33,300

**NOTE 6: INTEREST IN JOINT VENTURE OPERATION**

In the previous financial year the company had a 50% interest in a joint venture operation BHI-LSV Sandridge Beach Joint Venture for the purpose of providing training, catering, hospitality and related services at the State Headquarters. The interest was a jointly controlled entity and accounted for using the equity method.

**LIFE SAVING VICTORIA LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2011**

**NOTE 6: INTEREST IN JOINT VENTURE OPERATION (continued)**

	<b>2011</b>	<b>2010</b>
	\$	\$
NON CURRENT		
Interest in Joint Venture Operation		
Balance at 1 July	(2,028)	(6,500)
Capital contribution during the year	-	37,245
LSV 50% share of net (loss)/surplus for the year recognised in the Income Statement	-	(32,773)
Settlement sum on cessation	2,028	-
Balance at 30 June	-	(2,028)

The parties agreed to wind-up the Joint Venture effective 30 June 2010. As part of the wind-up arrangements LSV repaid to Box Hill Institute the loan of \$385,000 in September 2010. From 1 July 2010 Life Saving Victoria assumed sole responsibility for the operation of the Function Centre which has been renamed as Lifeguards at 200.

**NOTE 7: PROPERTY, PLANT AND EQUIPMENT**

**LAND AND BUILDINGS**

**Leasehold Improvements**

At cost	6,453,787	6,453,787
Less: accumulated depreciation	1,613,449	1,290,757
Total Leasehold Improvements	4,840,338	5,163,030
Total Land and Buildings	4,840,338	5,163,030

**PLANT AND EQUIPMENT**

**Motor Vehicles**

At cost	861,963	855,133
Less: accumulated depreciation	439,470	269,467
Total motor vehicles	422,493	585,666

**Computer and Office Equipment**

At cost	253,072	253,072
Less: accumulated depreciation	253,072	227,786
Total computer and office equipment	-	25,286

**Gym Equipment**

At cost	16,455	16,455
Less: accumulated depreciation	16,455	11,793
Total gym equipment	-	4,662

**Furniture and Fittings**

At cost	63,072	53,302
Less: accumulated depreciation	54,106	50,128
Total furniture and fittings	8,966	3,174

**LIFE SAVING VICTORIA LIMITED**  
**ACN 102 927 364**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2011**

**NOTE 7: PROPERTY, PLANT AND EQUIPMENT (continued)**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>Rescue Equipment</b>		
At cost	125,327	103,678
Less: accumulated depreciation	88,474	61,628
Total rescue equipment	<u>36,853</u>	<u>42,050</u>
<b>Training Equipment</b>		
At cost	23,155	23,155
Less: accumulated depreciation	23,155	17,980
Total training equipment	<u>-</u>	<u>5,175</u>
Total Plant and Equipment	<u>468,312</u>	<u>666,013</u>
Total Property, Plant and Equipment	<u><u>5,308,650</u></u>	<u><u>5,829,043</u></u>

**MOVEMENTS IN CARRYING AMOUNTS**

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

**LAND AND BUILDINGS**

**Leasehold Improvements**

Carrying amount at the beginning of the year	5,163,030	5,485,719
Less - Disposals	-	-
Less - Depreciation charge for the year	322,692	322,689
Carrying amount at end of year	<u>4,840,338</u>	<u>5,163,030</u>

**PLANT AND EQUIPMENT**

**Motor Vehicles**

Carrying amount at the beginning of the year	585,666	615,489
Acquisitions	78,676	258,438
Less - Disposals	29,213	125,180
Less - Depreciation charge for the year	212,636	163,081
Carrying amount at end of year	<u>422,493</u>	<u>585,666</u>

**Computer and Office Equipment**

Carrying amount at the beginning of the year	25,286	81,421
Acquisitions	-	16,778
Less - Disposals	-	-
Less - Depreciation charge for the year	25,286	72,913
Carrying amount at end of year	<u>-</u>	<u>25,286</u>

**Gym Equipment**

Carrying amount at the beginning of the year	4,662	7,953
Acquisitions	-	-
Less - Disposals	-	-
Less - Depreciation charge for the year	4,662	3,291
Carrying amount at end of year	<u>-</u>	<u>4,662</u>

**LIFE SAVING VICTORIA LIMITED**  
**ACN 102 927 364**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2011**

**NOTE 7: PROPERTY, PLANT AND EQUIPMENT (continued)**

	<b>2011</b>	<b>2010</b>
	\$	\$
<b>Furniture and Fittings</b>		
Carrying amount at the beginning of the year	3,174	15,391
Acquisitions	9,770	-
Less - Disposals	-	-
Less - Depreciation charge for the year	3,978	12,217
Carrying amount at end of year	8,966	3,174
<b>Rescue Equipment</b>		
Carrying amount at the beginning of the year	42,050	756
Acquisitions	19,837	45,886
Less - Disposals	-	-
Less - Depreciation charge for the year	25,034	4,592
Carrying amount at end of year	36,853	42,050
<b>Training Equipment</b>		
Carrying amount at the beginning of the year	5,175	6,839
Acquisitions	-	3,446
Less - Disposals	-	-
Less - Depreciation charge for the year	5,175	5,110
Carrying amount at end of year	-	5,175
<b>Total Property, Plant and Equipment</b>	<b>5,308,650</b>	<b>5,829,043</b>

**NOTE 8: TRADE AND OTHER PAYABLES**

**CURRENT**

Trade accounts payable	154,333	169,247
Other payables and accrued expenses	519,285	44,873
Income received in advance	977,620	832,721
Total trade and other payables	1,651,238	1,046,841

**NOTE 9: OTHER FINANCIAL LIABILITIES**

**CURRENT**

Borrowings - secured	-	385,000
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As part of the arrangements for the wind-up of the Joint Venture, Life Saving Victoria repaid the interest free loan in September 2010.

**LIFE SAVING VICTORIA LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2011**

<b>NOTE 10: PROVISIONS</b>	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Liability for annual leave	370,387	318,402
Liability for long service leave	176,629	115,384
Liability for other provisions	20,000	-
Total short term provisions	<u>567,016</u>	<u>433,785</u>
<b>NON CURRENT</b>		
Liability for long service leave	<u>8,020</u>	<u>33,175</u>
Total Provisions	<u>575,036</u>	<u>466,961</u>
<b>MOVEMENT IN PROVISIONS FOR EMPLOYEE BENEFITS</b>		
Opening balance 1 July 2010	466,961	445,972
Movement during the year	<u>88,075</u>	<u>20,989</u>
Balance as at 30 June 2011	<u>555,036</u>	<u>466,961</u>

**LIFE SAVING VICTORIA LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2011**

**NOTE 11: FINANCIAL INSTRUMENTS**

(a) Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

(b) Categorisation of financial instruments

Financial assets	Note	Category	Carrying amount 2011 \$	Carrying amount 2010 \$
Cash and cash equivalents	4	N/A	2,469,302	2,408,166
Receivables	5	Receivables (at amortised cost)	1,101,141	286,255
<b>Financial liabilities</b>				
Payables	8,9	Financial liabilities measured at amortised cost	154,333	554,247

(c) Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Company's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the balance sheet.

Financial assets that are either past due or impaired

Currently the Company does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

As at the reporting date, there is no indication that the financial assets have been impaired.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The following table discloses the ageing only of financial assets that are past due but not impaired.

Economic Entity

Interest rate exposure and ageing analysis of financial assets

	Carrying amount	Interest rate exposure			Past due by		
		Fixed interest rate	Variable interest rate	Non-interest bearing	Less than 1 month	1-3 months	More than 3 months
<b>2011</b>							
Cash assets	2,469,302	1,517,000	950,352	1,950	-	-	-
Receivables	1,101,141	-	-	1,101,141	310,782	769,136	21,223
	3,570,443	1,517,000	950,352	1,103,091	310,782	769,136	21,223
<b>2010</b>							
Cash assets	2,408,166	1,817,000	590,116	1,050	-	-	-
Receivables	286,255	-	-	286,255	183,260	89,041	13,954
	2,694,421	1,817,000	590,116	287,305	183,260	89,041	13,954

**LIFE SAVING VICTORIA LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2011**

**NOTE 11: FINANCIAL INSTRUMENTS (continued)**

(d) Liquidity risk

Liquidity risk arises when the company is unable to meet its financial obligations as they fall due. The company operates under the policy of settling financial obligations within 30 days and in the event of a dispute, make payments within 30 days from the date of resolution. It also continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets and dealing in highly liquid markets.

The Company's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Maximum exposure to liquidity risk is the carrying amounts of financial liabilities.

Economic Entity

Interest rate exposure and maturity analysis of financial liabilities

	Interest rate exposure				Maturity dates			
	Nominal amount	Fixed interest rate	Variable interest rate	Non-interest bearing	Less than 1 month	1-3 months	3 months – 5 years	More than 5 years
<b>2011</b>								
Payables	154,333	-	-	154,533	154,533	-	-	-
Loan	-	-	-	-	-	-	-	-
	154,333	-	-	154,533	154,533	-	-	-
<b>2010</b>								
Payables	169,247	-	-	169,247	169,247	-	-	-
Loan	385,000	-	-	385,000	-	385,000	-	-
	554,247	-	-	554,247	169,247	385,000	-	-

Unexpended grant liabilities are excluded from the maturity analysis as they have no contractual maturity date.

(e) Market risk

The Company's exposure to market risk is primarily through interest rate risk with currently no exposure to other price risk or foreign currency risk. Objectives, policies and processes used to manage this risk are disclosed in the paragraph below.

Interest rate risk

Exposure to interest rate risk might arise primarily through the Company's cash and deposits. Minimisation of risk is achieved by mainly undertaking fixed rate or non-interest bearing financial instruments.

Sensitivity Disclosure Analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience in financial markets, the Company believes the following movements are "reasonably possible" over the next 12 months – a parallel shift of +1% and -1% in market interest rates (AUD) from year end rates of 3.3 % (weighted average).

The following table discloses the impact on net operating result and equity for each category of financial instruments held by the Company at year end, if the above movements were to occur.

**LIFE SAVING VICTORIA LIMITED**  
**ACN 102 927 364**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2011**

**NOTE 11: FINANCIAL INSTRUMENTS (continued)**

<b>Economic Entity</b>					
Market risk exposure					
	Carrying amount	Interest rate risk			
		-1% (100 basis points)		+1% (100 basis points)	
		Profit	Equity	Profit	Equity
<b>2011</b>					
Financial assets:					
Cash assets	2,467,352	(24,673)	(24,673)	24,673	24,673
Financial Liabilities:					
Loans	-	-	-	-	-
<b>2010</b>					
Financial assets:					
Cash assets	2,407,116	(24,071)	(24,071)	24,071	24,071
Financial Liabilities:					
Loans	-	-	-	-	-

(f) Fair value

The fair values and net fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models.

The Company considers that the carrying amount of financial assets and financial liabilities recorded in the financial report to be a fair approximation of their fair values, because of the availability of accurate market prices or their short-term nature and the expectation that they will be paid in full.

**NOTE 12: RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES WITH THE COMPREHENSIVE RESULT**

	<b>2011</b>	<b>2010</b>
	\$	\$
<b>Cash flows from operating activities</b>		
(Loss)/Surplus for the period	(87,353)	(158,628)
Increase/(decrease) in provisions & employee benefits	108,152	20,988
Depreciation	599,463	630,016
(Gain)/Loss on sale of assets	(18,287)	(46,132)
Change in value of investments	-	(6,500)
Surplus before changes in working capital	601,975	439,744
Decrease/(increase) in trade & other receivables	(731,173)	522,587
(Increase)/decrease in inventory	31,796	17,506
Increase/(decrease) in trade & other payables	604,321	(651,931)
Net cash from operating activities	506,919	327,906

**LIFE SAVING VICTORIA LIMITED**  
**ACN 102 927 364**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2011**

**NOTE 13: RELATED PARTIES**

The following were key management personnel of the Company at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

**Non-executive directors**

Michael Martin  
Andy Doyle (resigned February 2011)  
Nicholas Hall  
Nancy Joseph  
Dr Michael Kennedy OAM  
Stuart Mackinnon  
Richard Mitchell (appointed August 2010)  
Neil Morarty (resigned August 2010)  
Mark Scott  
Ian Swan (resigned October 2010)  
Stuart Wall (appointed February 2011)  
Martin Walsh

**Executives**

Nigel Taylor ESM the Chief Executive Officer and Company Secretary (appointed December 2006) for the year ended 30 June 2011.

**Key management personnel compensation**

	<b>ECONOMIC ENTITY</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Compensation paid or payable, or otherwise made available, to key management personnel of the Company, are included in "personnel expenses" are as follows:		
Short term employee benefits	662,027	593,894
Post employment benefits	-	-

Apart from the details disclosed in this note, no director has entered into a material contract with the Company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year-end. During the year a Non- Executive Director purchased a used motor vehicle from LSV. The transaction was conducted at an arms length basis at a market price.

The directors have not received fees for their services as directors.

***Joint venture in which the entity is a venturer***

Box Hill Institute/Life Saving Victoria Limited Joint Venture for operation of a café/catering function. Refer Note 6.

***Terms and conditions of transactions with related parties***

Sales to and purchases from related parties are made as arms length transactions using both normal market prices and normal commercial terms.

Outstanding balances at year-end are unsecured and settlement occurs in cash.

There have been no guarantees provided or received from any related party receivables.

For the year ended 30 June 2011, the entity has not raised any provision for doubtful debts relating to amounts owed by related parties (2010: \$nil).

**LIFE SAVING VICTORIA LIMITED**  
**ACN 102 927 364**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2011**

**NOTE 14: COMMITMENTS**

	<b>2011</b>	<b>2010</b>
	\$	\$
Commitments arising from contracts for expenditure not provided in the accounts:		
<b>Operating Leases</b>		
Within 12 Months	23,397	30,299
Greater than 12 months but less than 5 years	63,592	41,601
Greater than 5 years	97,500	107,500
Total Operating Lease Commitments	184,489	179,400

**NOTE 15: CONTINGENT LIABILITIES**

Bank Guarantees	17,000	17,000
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**NOTE 16: INTEREST IN SURF LIFE SAVING FOUNDATION INC**

The Surf Life Saving Rescue Fund Trust (the Trust), of which the Foundation is the corporate Trustee (the Trustee), holds funds for the benefit of LSV, which may be distributed at the sole discretion of the Trustee and accordingly these funds are not recognised in the Statement of Financial Position. At 30 June 2011 LSV had a beneficial interest in funds within the Trust that had a market value of \$1,384,817 (\$1,250,513 June 2010).

LSV receives distributions from Surf Life Saving Australia of funds raised by the Surf Lifesaving Foundation Inc (the Foundation) from fundraising activities undertaken on behalf of LSV. Distributions received in 2010-11 totalled \$186,143 (\$297,171 in 2009-10).

Except for funds raised by the Foundation on behalf of LSV under a service contract, all future distributions to LSV from funds raised by the Foundation are at the sole discretion of Surf Life Saving Australia Ltd and accordingly the interest of LSV in these future distributions has not been recognised in the Financial Statements of LSV.

**NOTE 17: SUBSEQUENT EVENTS**

Since the end of the financial year and the date of this report no significant transaction or events have occurred.

**NOTE 18: MEMBERS LIABILITY**

The Company is limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the Company.

**LIFE SAVING VICTORIA LIMITED**  
**ACN 102 927 364**

**DIRECTORS' DECLARATION**

In the opinion of the directors of Life Saving Victoria Limited:

- (a) the financial statements and notes, set out on pages 5 to 22 are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the financial position of the Company as at 30 June 2011 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date; and
  - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors:



Michael Martin  
*Director*



Martin Walsh  
*Director*

Melbourne, 10<sup>th</sup> October 2011

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
LIFE SAVING VICTORIA LIMITED  
ACN 102 927 364**

***Report on the Financial Report***

We have audited the accompanying financial report of Life Saving Victoria Limited, which comprises the statement of financial position as at 30 June 2011 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

***Directors' Responsibility for the Financial Report***

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

***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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 judgment, 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 the directors, 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.

***Independence***

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to Life Saving Victoria Limited on 10 October 2011, would be in the same terms if provided to the directors as at the date of this auditor's report.

***Auditor's Opinion***

In our opinion, the financial report presents fairly, in all material respects, the financial position of Life Saving Victoria Limited as of 30 June 2011, and its financial performance and cash flows for the year then ended in accordance with the *Corporations Act 2001* and the Australian Accounting Standards (including Australian Accounting Interpretations).

*DFK Collins*

**DFK COLLINS  
CHARTERED ACCOUNTANTS**

*Robert Wernli*

**Robert Wernli  
Partner**

Melbourne  
10 October 2011

**AUDITOR'S INDEPENDENCE DECLARATION UNDER S307C OF THE CORPORATIONS ACT 2001**

To: the directors of Life Saving Victoria Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

*DFK Collins*

**DFK COLLINS  
CHARTERED ACCOUNTANTS**

*Robert Wernli*

**Robert Wernli  
Partner**

Melbourne  
10 October 2011