

COMPANY REGISTRATION NUMBER: 02678080
CHARITY REGISTRATION NUMBER: 1015668
CHARITY REGISTRATION NUMBER IN SCOTLAND: SCO42339

**Surf Life Saving Great Britain
Company Limited by Guarantee
Financial Statements
31 December 2017**

THOMAS WESTCOTT

Chartered accountant & statutory auditor
26-28 Southernhay East
Exeter
EX1 1NS



Surf Life Saving Great Britain

Company Limited by Guarantee

Financial Statements

Year ended 31 December 2017

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Surf Life Saving Great Britain

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 December 2017

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 December 2017.

Reference and administrative details

Registered charity name Surf Life Saving Great Britain

Charity registration number 1015668

Company registration number 02678080

Charity registration in Scotland SCO42339

Principal office and registered office Buckland House
Harrier Way
Sowton
Exeter
EX2 7HU
United Kingdom

The trustees

Mr P Coles
Mr G C Goodier
Mrs D Green
Mr P Lawrence
Mr R J H Martin MBE
Prof M J Tipton MBE
Mr G S Mayhew (Appointed 26 August 2017)
Mr R Amphlett (Resigned 26 August 2017)
Mr L Coen (Resigned 26 August 2017)

Chief Executive Officer Mr T W Coventry

Auditor Thomas Westcott
Chartered accountant & statutory auditor
26-28 Southernhay East
Exeter
EX1 1NS

Bankers Lloyds Bank PLC
234 High Street
Exeter
United Kingdom
EX4 3NL

Solicitors Dorade Law
Broome Court
Dartmouth
Devon
TQ6 0LD

Surf Life Saving Great Britain

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2017

Structure, governance and management

A. Introduction

Surf Life Saving Great Britain ("SLSGB") is a registered charity, recognised National Governing Body and Company limited by Guarantee. The Articles of Association and Bye-Laws (available for public access on our document store at www.sls.gb.org.uk) constitute our governing documents and set out our objects which are as follows:

The object for which the Company is established is to save lives on Britain's beaches and to engage in search and rescue activities and to provide education in all areas relating to, lifesaving, search and rescue and resuscitation for the benefit of the public by:

- the provision of support and maintenance for a network of Affiliated Clubs with similar objects;
- the promotion and improvement of national and international standards, qualifications and training in water safety, search and rescue, lifesaving, coaching, resuscitation and first aid;
- the promotion and organisation of beach and pool training, water sports and lifesaving activities for training, recreation and enjoyment that encourage fitness, team work, responsibility and excellence in pursuit of these objects;
- the promotion of the provision of voluntary lifesaving search and rescue services to the community and public at large.

The Trustees have reviewed the public benefit guidance by the Charity Commission and are satisfied that the benefits created by the charity are both identifiable and available to the public. These benefits include (but are not limited to):

- making Britain's beaches safer for the public by providing a volunteer Life Saving service;
- providing a volunteer flood search and rescue service at both local and national levels;
- providing Life Saving learning and skills development opportunities to members and the wider public;
- providing support to other charities (e.g clubs);
- and providing personal development and volunteering opportunities.

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Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2017

Structure, governance and management *(continued)*

B. Governance Structure

1. Organisational Structure

The organisational structure of Surf Life Saving Great Britain, a charitable company, is compliant with the legal requirements under charitable and company law.

The organisational structure, which includes staff and so can vary, is available to members on request.

A Board of Trustees governs, is appointed by, and answerable to, the members through an Annual General Meeting; or, when required, a General Meeting. The Board may create a number of Sub Committees whose responsibilities are made known to members on request.

A Management Team, answerable to the Board, is responsible for the operational control and co-ordination of the company's activities.

Knowledge based Committees have been created to consider and provide guidance to the Board of Trustees and the management on specified specialist topics that all relate to the core activities of the organisation. These currently include but are not limited to Lifesaving, Clinical Governance and Sport and Events.

A Chief Executive Officer is normally appointed by the Board to oversee the day-to-day management of the company through a Management Team that comprises key staff.

Other staff are appointed as required to enable the company to conduct its business effectively.

An Honorary President may be appointed by the Board of Trustees on a 3-year term, which may be renewed, to champion and progress the work of Surf Life Saving GB at both national and international level. The position is an honorary role that carries no executive authority. The role of the President is set out in the Presidents Role Description.

2. Board of Trustees

a. Composition

The Board comprises a chairman, Treasurer and between five and eight other Trustees.

Three to five of these Trustees should have a sound knowledge and empathy for Surf Life Saving as well as previous experience from either private business or community activities, ideally such experience having been gained as a committee member or board member.

The remaining Trustees must have the ability to contribute specialist knowledge, skills and experience in areas identified as strategically and operationally important for the organisation, and with previous experience from private business, government or community sectors, ideally as a senior executive or board member.

b. Procedures for Recruitment and Election of Trustees

Trustees are elected by the Annual General Meeting (AGM). The Chairman is also appointed by the AGM.

If there are vacancies, Trustees can be co-opted onto the Board at any time but must stand for

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2017

Structure, governance and management *(continued)*

election at the following AGM.

Sometimes, the Board will identify a need for Trustees with specific skills and experience and so all Trustees will be required to go through a recruitment process that may be externally facilitated to allow the existing Board, and members to make a sound judgement on the suitability of each applicant to serve as a Trustee.

Any person wishing to stand for election as Trustee must be nominated by a proposer and seconder who must be current voting members in good standing. The nomination must include details of the prospective Trustee's CV.

A call for nominations will be made at least 3 months before the Annual General Meeting with a closing date not later than 6 weeks before the date of the meeting.

Full details of a prospective Trustee standing for election at the Annual General Meeting will be circulated with the notification and papers for the meeting.

c. Serving Trustees

The following Trustees, who are also the directors, served during the year:

- | | |
|-----------------------|---|
| • Mr R J H Martin MBE | - appointed 17 April 2011 |
| • Mr G C Goodier | - appointed 17 April 2011 |
| • Mr P W Lawrence | - appointed 17 April 2011, appointed as Chairman 22 June 2012 |
| • Mr R Amphlett | - appointed 13 December 2012, resigned 26 August 2017 |
| • Prof M J Tipton MBE | - appointed 23 March 2013 |
| • Mrs D Green | - appointed 22 July 2014 |
| • Mr L Coen | - appointed 12 December 2014, resigned 26 August 2017 |
| • Mr P Coles | - appointed 30 January 2015 |
| • Mr G S Mayhew | - appointed 26 August 2017 |

Mr D Grose was appointed by the board as Honorary President (non-Director/Trustee role) on the 22 June 2012.

Surf Life Saving Great Britain

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2017

Objectives and activities

C. Report

1. Principal Activity

With support from the Exeter based headquarters, SLSGB Clubs operate in Great Britain training members aged from five years upwards in beach safety, lifesaving and search and rescue, rescue skills and helping create fitter and safer communities by the sea and increasingly in other open water environments.

SLSGB Members devote their time to training and educating those who live by water: sea, lakes and rivers, and when necessary, providing a rescue service.

Surf Life Saving Clubs are the centre of the SLSGB activity. By providing people of all ages with the opportunity to train and practice rescue, water safety, first aid and life support skills, clubs are helping to make communities safer. For the members who enjoy undertaking lifesaving and rescue skills through competition there are local, county, regional, national and international events for those selected to represent the national life saving team.

As part of their training with clubs, members can achieve SLSGB Lifesaving awards, qualifications and competencies in a range of rescue and lifesaving disciplines. In the year over 4,000 Lifesaving competency awards were delivered. SLSGB is the awarding body for the highest standard of beach lifeguard qualification in the country and trains many of the paid RNLI lifeguards working on our beaches. With training opportunities that include vocational qualifications for beach and surf lifeguard and an Event Water Safety Manager award, SLSGB is a leader in the field of open water safety.

Volunteer Lifeguards have been patrolling SLSGB club beaches since 1952. In 2017 we advised our clubs that the informal patrol activity would be replaced by a new, fully supported and managed programme to meet higher uniform standards. The decision to work directly with the Coast Guard was to change an informal rescue activity into a recognised supported programme. This will regulate and unify standards to meet a higher duty of care, create formal managed patrol activity and enable SLSGB Patrols to operate within the National SAR Framework. Our new volunteer patrol framework is approved by the Coast Guard for declared patrol activity. This scheme was successfully piloted in 2017 at 8 coastal and 2 inshore locations. 66 responses were undertaken by our declared coastal patrols and 84 by our 2 Inland Lifeboats. The project has required the introduction of an entirely new volunteer manager role to direct and manage club patrol activity, The Patrol Captain.

During 2017 SLSGB has continued to support our volunteer operational Search and Rescue Flood Response Teams to maintain their operational capability fully compliant with the DEFRA Concept of Operations. We have maintained the special relationship with North Carolina Emergency Management, Charlotte Fire Department, ensuring that current best practice is used by our search and rescue volunteers. In March SLSGB search and rescue volunteers accompanied by our National Safety and Operations Manager attended Master Class training hosted by North Carolina.

Surf Life Saving Great Britain

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2017

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

Achievements and performance

2. Business Plan & Financial Review

The Charity has continued to strengthen its core activities with continuing emphasis during the year on support for our affiliated member organisations. We have significantly improved our members insurance cover, helped with guidance to become Charitable Incorporated Organisation to limit member liability, provided free resuscitation equipment for club CPD training, organised and delivered Level 1 and 2 Coach courses and both our Clinical Governance and Lifesaving Committees have provided essential new guidance. Year on year Club membership has again increased to now 8,300 (2016: 7,200). As the Charity has progressively moved to train and deploy more volunteers to be able to support the statutory emergency services, it has been pleasing to see a very positive response and closer cooperation from those services, not the least from the Coast Guard Agency.

During the year £77,159 was contributed to our income by charitable donations and sponsorship. We are extremely grateful to those individuals and organisations for their generous support.

The outcome for the year has been an operating surplus of £3,331 (2016: £12,671) to build our reserves to a total of £128,346 (2016: £125,015). The Charity is now financially more secure and well positioned with a strong operational team and increased resources to support members to further develop our aims in search and rescue, prevention of drowning and saving lives and to grow donation income from our interest and involvement in water safety.

3. Reserves Policy

The board of trustees has reviewed its policy on reserves, considering:

- The income of the Charity is not entirely predictable and will suffer peaks and troughs.
- The target amount of reserves should be sufficient to ensure continuity of the employment of key personnel to run the charity for 6 months employment costs.
- This target should not be at the cost of unexpected events, so that if there are unforeseen pressing needs for the Charity to make urgent expenditure, these are considered within the context of: the amount needed to be spent; and predicted future income to rebuild the reserves.
- The reserves should be reviewed annually in accordance with the expected annual employment costs and any revision of the target set.
- The business plan should not seek to increase the reserves beyond the agreed target so that all available income will be spent for the charitable purposes of the organisation.

During 2017 the reserves have increased to £128,346 (2016: £125,015). The Board will continue to implement policies and actions as appropriate to the needs of the organisations charitable aims.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2017

Financial review

4. Managing Risks & Controls

The Board of Trustees review and update the organisation Risk Register as appropriate but not less than twice in each year. The Board of Trustees set, and abides by, all organisational policy and procedures. The Board of Trustees implement, monitor and review all conflicts of interest in accordance with the policy. The Board of Trustees set an annual Income & Expenditure budget in advance. The Board of Trustees review the monthly finance controls, report and monitoring of Income and Expenditure against Budget. The Board of Trustees manage the risk and benefit of external relationships as appropriate but not less than twice in each year. The Board of Trustees appoints and seeks the support of Advisors as required.

5. Premises

During 2017 the Buckland House, Park Five, Harrier Way, Sowton, Exeter premises lease had a break and review on the 24th September. The lease is outside the Land Lord and Tenant Act so has no automatic right of renewal. The lease was renewed in 2017 with a rent increase for the period to the next review in 2020.

Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Surf Life Saving Great Britain

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2017

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The trustees' annual report and the strategic report were approved on 15/8/18 and signed on behalf of the board of trustees by:



Mr P Lawrence
Trustee

Surf Life Saving Great Britain

Company Limited by Guarantee

Independent Auditor's Report to the Members of Surf Life Saving Great Britain

Year ended 31 December 2017

Opinion

We have audited the financial statements of Surf Life Saving Great Britain (the 'charity') for the year ended 31 December 2017 which comprise the statement of financial activities (including income and expenditure account), statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Surf Life Saving Great Britain

Company Limited by Guarantee

Independent Auditor's Report to the Members of Surf Life Saving Great Britain (continued)

Year ended 31 December 2017

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Surf Life Saving Great Britain

Company Limited by Guarantee

Independent Auditor's Report to the Members of Surf Life Saving Great Britain

(continued)

Year ended 31 December 2017

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 ISAs (UK) 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 these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
 - Conclude on the appropriateness of the trustees' 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 charity'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 statements 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 charity to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
-

Surf Life Saving Great Britain

Company Limited by Guarantee

Independent Auditor's Report to the Members of Surf Life Saving Great Britain (continued)

Year ended 31 December 2017

We communicate with those charged with governance 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.

Thomas Westcott

Shona Godefroy FCA (Senior Statutory Auditor)

For and on behalf of
Thomas Westcott
Chartered accountant & statutory auditor
26-28 Southernhay East
Exeter
EX1 1NS

28/8/18

Surf Life Saving Great Britain

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

31 December 2017

		Unrestricted funds £	2017 Restricted funds £	Total funds £	2016 Total funds £
	Note				
Income and endowments					
Donations and legacies	5	233,874	33,000	266,874	287,018
Charitable activities	6	261,183	–	261,183	281,135
Investment income	7	42	–	42	16
Other income	8	2,152	–	2,152	5,136
Total income		<u>497,251</u>	<u>33,000</u>	<u>530,251</u>	<u>573,305</u>
Expenditure					
Expenditure on raising funds:					
Costs of raising donations and legacies	9	34,347	–	34,347	36,843
Expenditure on charitable activities	10,11	459,573	33,000	492,573	523,791
Total expenditure		<u>493,920</u>	<u>33,000</u>	<u>526,920</u>	<u>560,634</u>
Net income and net movement in funds		<u>3,331</u>	<u>–</u>	<u>3,331</u>	<u>12,671</u>
Reconciliation of funds					
Total funds brought forward		125,015	–	125,015	112,344
Total funds carried forward		<u>128,346</u>	<u>–</u>	<u>128,346</u>	<u>125,015</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 15 to 26 form part of these financial statements.

Surf Life Saving Great Britain

Company Limited by Guarantee

Statement of Financial Position

31 December 2017

		2017 £	2016 £
Fixed assets			
Tangible fixed assets	17	20,251	17,526
Investments	18	<u>1</u>	<u>1</u>
		20,252	17,527
Current assets			
Stocks	20	–	1,646
Debtors	21	40,290	96,548
Cash at bank and in hand		<u>96,447</u>	<u>63,932</u>
		136,737	162,126
Creditors: amounts falling due within one year	22	<u>28,643</u>	<u>54,638</u>
Net current assets		108,094	107,488
Total assets less current liabilities		<u>128,346</u>	<u>125,015</u>
Net assets		<u>128,346</u>	<u>125,015</u>
Funds of the charity			
Unrestricted funds		<u>128,346</u>	<u>125,015</u>
Total charity funds	25	<u>128,346</u>	<u>125,015</u>

These financial statements were approved by the board of trustees and authorised for issue on 15/12/18, and are signed on behalf of the board by:



Mr P Lawrence
Trustee

The notes on pages 15 to 26 form part of these financial statements.

Surf Life Saving Great Britain

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 December 2017

1. General information

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Buckland House, Harrier Way, Sowton, Exeter, EX2 7HU, United Kingdom.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Disclosure exemptions

The entity satisfies the criteria of a small entity under FRS 102 and therefore has taken advantage of the disclosure exemption allowing it to not present a cash flow statement.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Surf Life Saving Great Britain

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Surf Life Saving Great Britain

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

3: Accounting policies *(continued)*

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the charity's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed five years.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - 25% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery - 25% straight line
Fixtures and fittings - 25% straight line
Boats and engines - 10% straight line

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Surf Life Saving Great Britain

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

3. Accounting policies *(continued)*

Investments *(continued)*

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Surf Life Saving Great Britain

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

Surf Life Saving GB is a company limited by guarantee and accordingly does not have any share capital.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Donations			
Donations	44,159	33,000	77,159
Subscriptions			
Membership	189,715	—	189,715
	<u>233,874</u>	<u>33,000</u>	<u>266,874</u>

Surf Life Saving Great Britain

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

5. Donations and legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Donations			
Donations	92,601	20,000	112,601
Subscriptions			
Membership	174,417	–	174,417
	<u>267,018</u>	<u>20,000</u>	<u>287,018</u>

6. Charitable activities

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Club affiliation	32,180	32,180	26,155	26,155
Education Courses	71,992	71,992	67,160	67,160
Education Publication	15,750	15,750	11,987	11,987
Education Delivery	24,906	24,906	24,359	24,359
Events General	28,157	28,157	37,551	37,551
Events Entry Fees	88,072	88,072	90,921	90,921
Events sponsorship	126	126	23,002	23,002
	<u>261,183</u>	<u>261,183</u>	<u>281,135</u>	<u>281,135</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Investment Income	<u>42</u>	<u>42</u>	<u>16</u>	<u>16</u>

8. Other income

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Other Income	<u>2,152</u>	<u>2,152</u>	<u>5,136</u>	<u>5,136</u>

Surf Life Saving Great Britain

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

9. Costs of raising donations and legacies

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Costs of generating funds	<u>34,347</u>	<u>34,347</u>	<u>36,843</u>	<u>36,843</u>

10. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Charitable Life Saving and Sporting Activities	262,347	22,500	284,847
Support costs	<u>197,226</u>	<u>10,500</u>	<u>207,726</u>
	<u>459,573</u>	<u>33,000</u>	<u>492,573</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Charitable Life Saving and Sporting Activities	266,786	20,000	286,786
Support costs	<u>237,005</u>	<u>—</u>	<u>237,005</u>
	<u>503,791</u>	<u>20,000</u>	<u>523,791</u>

11. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2017 £	Total fund 2016 £
Charitable Life Saving and Sporting Activities	<u>284,847</u>	<u>207,726</u>	<u>492,573</u>	<u>523,791</u>

12. Analysis of support costs

	Total 2017 £	Total 2016 £
Staff costs	73,170	71,532
Amortisation and depreciation	5,170	6,297
Other costs	<u>129,386</u>	<u>159,176</u>
	<u>207,726</u>	<u>237,005</u>

Surf Life Saving Great Britain

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

13. Net income

Net income is stated after charging/(crediting):

	2017	2016
	£	£
Depreciation of tangible fixed assets	<u>5,170</u>	<u>6,297</u>

14. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2017	2016
	£	£
Wages and salaries	224,484	218,332
Social security costs	17,717	19,253
Employer contributions to pension plans	<u>1,697</u>	<u>776</u>
	<u>243,898</u>	<u>238,361</u>

The average head count of employees during the year was 9 (2016: 9). The average number of full-time equivalent employees during the year is analysed as follows:

	2017	2016
	No.	No.
Administration and management	<u>9</u>	<u>9</u>

No employee received employee benefits of more than £60,000 during the year (2016: Nil).

15. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees during 2017 or 2016.

The following expenses have been reimbursed to two of the trustees.

	Mr R J Martin MBE	Mr P Lawrence
	£	£
ILS Federation meetings:		
Flights	514	—
Accommodation	1,019	—
Miscellaneous	445	—
Routine:		
Travel & subsistence	—	352
Accommodation	103	204

Surf Life Saving Great Britain

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

16. Intangible assets

	Goodwill £
Cost	
At 1 January 2017 and 31 December 2017	20,000
Amortisation	
At 1 January 2017 and 31 December 2017	20,000
Carrying amount	
At 31 December 2017	—
At 31 December 2016	—

17. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Event trailers £	Total £
Cost				
At 1 January 2017	20,000	16,067	6,481	42,548
Additions	—	8,113	—	8,113
Disposals	—	(5,035)	—	(5,035)
At 31 December 2017	20,000	19,145	6,481	45,626
Depreciation				
At 1 January 2017	6,333	12,208	6,481	25,022
Charge for the year	2,750	2,420	—	5,170
Disposals	—	(4,817)	—	(4,817)
At 31 December 2017	9,083	9,811	6,481	25,375
Carrying amount				
At 31 December 2017	10,917	9,334	—	20,251
At 31 December 2016	13,667	3,859	—	17,526

Included within Plant and machinery are boats and engines with a total cost of £15,000 (2016: £15,000), depreciation brought forward of £3,000 (2016: £1,500) and a depreciation charge of £1,500 (2016: £1,500).

Surf Life Saving Great Britain

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

18. Investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2017 and 31 December 2017	<u>1</u>
Impairment	
At 1 January 2017 and 31 December 2017	<u>-</u>
Carrying amount	
At 31 December 2017	<u>1</u>
At 31 December 2016	<u>1</u>

All investments shown above are held at valuation.

19. Investment entities

Subsidiaries and other investments

The charitable company has one wholly owned subsidiary, Beach Lifeguard Training Limited, which is incorporated in the UK. The company was dormant during the year.

20. Stocks

	2017 £	2016 £
Raw materials and consumables	<u>-</u>	<u>1,646</u>

21. Debtors

	2017 £	2016 £
Trade debtors	29,613	42,431
Prepayments and accrued income	6,394	7,066
Other debtors	<u>4,283</u>	<u>47,051</u>
	<u>40,290</u>	<u>96,548</u>

Surf Life Saving Great Britain

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

22. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	4,814	12,007
Accruals and deferred income	6,519	17,065
Social security and other taxes	–	9,333
Other creditors	17,310	16,233
	<u>28,643</u>	<u>54,638</u>

23. Deferred income

	2017	2016
	£	£
Amount deferred in year	<u>4,000</u>	<u>10,000</u>

24. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £1,697 (2016: £776).

25. Analysis of charitable funds

Unrestricted funds

	At 1 January 2017 £	Income £	Expenditure £	At 31 December 2017 £
General funds	<u>125,015</u>	<u>497,251</u>	<u>(493,920)</u>	<u>128,346</u>

Restricted funds

	At 1 January 2017 £	Income £	Expenditure £	At 31 December 2017 £
Restricted Funds	<u>–</u>	<u>33,000</u>	<u>(33,000)</u>	<u>–</u>

Surf Life Saving Great Britain

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

25. Analysis of charitable funds *(continued)*

	Balance at 1 January 2017	Incoming	Outgoing	Balance at 31 December 2017
	£	£	£	£
Awards for All Grant	–	8,000	(8,000)	–
Fisher Charitable Foundation	–	5,000	(5,000)	–
South West Water	–	20,000	(20,000)	–

The restricted funds are to be used as follows:

Awards for All Grant	- Volunteer beach lifeguard patrol project.
Fisher Charitable Foundation	- Volunteer beach lifeguard patrol project.
South West Water	- Graduate lifeguard programme.

26. Analysis of net assets between funds

	Unrestricted Funds	Total Funds 2017	Total Funds 2016
	£	£	£
Tangible fixed assets	20,251	20,251	17,526
Investments	1	1	1
Current assets	136,737	136,737	162,126
Creditors less than 1 year	(28,643)	(28,643)	(54,638)
Net assets	128,346	128,346	125,015

27. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2017	2016
	£	£
Not later than 1 year	15,694	11,312
Later than 1 year and not later than 5 years	22,022	23,822
	37,716	35,134