

**COMPANY REGISTRATION NUMBER: 02678080**  
**CHARITY REGISTRATION NUMBER: 1015668**

**Surf Life Saving Great Britain**  
**Company Limited by Guarantee**  
**Financial Statements**  
**31 December 2018**

**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 2018**

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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 2018**

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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 2018.

#### **Reference and administrative details**

<b>Registered charity name</b>	Surf Life Saving Great Britain
<b>Charity registration number</b>	1015668
<b>Company registration number</b>	02678080
<b>Principal office and registered office</b>	Buckland House Harrier Way Sowton Exeter EX2 7HU United Kingdom

#### **The trustees**

Mr R J H Martin MBE  
Mr G C Goodier  
Mr P W Lawrence  
Prof M J Tipton MBE  
Mrs D Green  
Mr P Coles  
Mr G S Mayhew

<b>Chief Executive Officer</b>	Mr T W Coventry
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<b>Auditor</b>	Thomas Westcott Chartered accountant & statutory auditor 26-28 Southernhay East Exeter EX1 1NS
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<b>Bankers</b>	Lloyds Bank PLC 234 High Street Exeter United Kingdom EX4 3NL
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<b>Solicitors</b>	Dorade Law Broome Court Dartmouth Devon TQ6 0LD
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# **Surf Life Saving Great Britain**

## **Company Limited by Guarantee**

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

**Year ended 31 December 2018**

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#### **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](http://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 and inshore coastal search and rescue service;
- providing a volunteer flood and terrestrial 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 opportunities for sport that reflect the activity of our core value of Life Saving and Search and Rescue;
- providing support to other charities (e.g clubs); and
- providing personal development and volunteering opportunities.

# **Surf Life Saving Great Britain**

## **Company Limited by Guarantee**

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

**Year ended 31 December 2018**

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#### **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 President's 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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# **Surf Life Saving Great Britain**

## **Company Limited by Guarantee**

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

**Year ended 31 December 2018**

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#### **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
- Prof M J Tipton MBE - appointed 23 March 2013
- Mrs D Green - appointed 22 July 2014
- 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 2018**

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#### **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 voluntary 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 4,454 Lifesaving competency awards were delivered by 338 club based volunteer Trainer Assessors. 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 a Event Water Safety Manager award, SLSGB is a leader in the field of open water safety.

In 2018 we re-commenced formal, voluntary patrol activity declared operationally to the Coast Guard working to a new fully supported and managed programme to meet higher uniform search and rescue standards. This has enabled SLSGB Patrols to operate within the National SAR Framework. In the year, 8 operational units achieve 108 lifesaving interventions. The programme will be expanded in 2019 and will introduce the development of community beach surveillance resources.

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. Whilst none of our flood teams were called into action in the year they were on stand by on four occasions and have been involved in live training exercises. The search and rescue resources that we have built for both flood rescue and for beach patrols is a major commitment to community resilience at local and national levels and has required a massive commitment from all the volunteers involved.

#### **Strategic report**

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

# **Surf Life Saving Great Britain**

## **Company Limited by Guarantee**

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

**Year ended 31 December 2018**

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#### **Achievements and performance**

##### **2. Business Plan & Financial Review**

The Charity has continued to strengthen its core activities with emphasis during the year on support for our affiliated member organisations. In the year we made 31 club development visits and undertook 50 staff led training courses. We have significantly improved our members' insurance cover, helped with guidance to become Charitable Incorporated Organisation to limit member liability and provided free resuscitation equipment for club CPD training. Staff led training has delivered 308 Level 1 and 234 Level 2 coaches. Our Clinical Governance and Lifesaving Committees have continued to provide essential new guidance. Year on year membership has again increased to now 9,690 (2017: 8,300). 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 from those services, not the least from the Coast Guard Agency. We also raised £132,000 in grant aid for training and equipment on behalf of our search and rescue teams

The outcome for the year has been an operating surplus £7,537 (2017: £3,331) to build our reserves to a total of £135,883 (2017: £128,346). The Charity is now financially more secure and well positioned with a strong operational team ready to further develop our aims in search and rescue, prevention of drowning and saving lives and to grow income in new areas of interest in water safety.

During the year £131,248 was contributed to our income by charitable donations and sponsorship. We are extremely grateful to those individuals and organisations for their generous support.

##### **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 2018 the reserves have increased to £135,883 (2017: £128,346). The Board will continue to implement policies and actions as appropriate to the needs of the organisations charitable aims.



# **Surf Life Saving Great Britain**

## **Company Limited by Guarantee**

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

**Year ended 31 December 2018**

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#### **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 and a rent increase implemented 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 2018**

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The trustees are responsible for the maintenance and accuracy of all information included on the charity's website.

#### **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 .....14/7/17..... and signed on behalf of the board of trustees by:



Mr P W 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 2018**

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#### **Opinion**

We have audited the financial statements of Surf Life Saving Great Britain (the 'charity') for the year ended 31 December 2018 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 2018 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 2018**

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#### **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 2018**

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#### **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.
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# **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 2018**

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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.



Shona Godefroy FCA (Senior Statutory Auditor)

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

23 July 2019

# Surf Life Saving Great Britain

## Company Limited by Guarantee

### Statement of Financial Activities (Including Income and expenditure account)

Year ended 31 December 2018

		Unrestricted funds £	2018 Restricted funds £	Total funds £	2017 Total funds £
	Note				
<b>Income and endowments</b>					
Donations and legacies	5	264,731	74,172	338,903	266,874
Charitable activities	6	328,207	—	328,207	261,183
Investment income	7	15	—	15	42
Other income	8	3,462	—	3,462	2,152
<b>Total income</b>		<u>596,415</u>	<u>74,172</u>	<u>670,587</u>	<u>530,251</u>
<b>Expenditure</b>					
Expenditure on raising funds:					
Costs of raising donations and legacies	9	5,762	—	5,762	34,347
Expenditure on charitable activities	10,11	583,116	74,172	657,288	492,573
<b>Total expenditure</b>		<u>588,878</u>	<u>74,172</u>	<u>663,050</u>	<u>526,920</u>
<b>Net income and net movement in funds</b>		<u>7,537</u>	<u>—</u>	<u>7,537</u>	<u>3,331</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		128,346	—	128,346	125,015
<b>Total funds carried forward</b>		<u>135,883</u>	<u>—</u>	<u>135,883</u>	<u>128,346</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 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible fixed assets	17	18,768	20,251
Investments	18	<u>1</u>	<u>1</u>
		18,769	20,252
<b>Current assets</b>			
Debtors	20	47,602	40,290
Cash at bank and in hand		<u>105,980</u>	<u>96,447</u>
		153,582	136,737
<b>Creditors: amounts falling due within one year</b>	21	<u>36,468</u>	<u>28,643</u>
<b>Net current assets</b>		117,114	108,094
<b>Total assets less current liabilities</b>		<u>135,883</u>	<u>128,346</u>
<b>Net assets</b>		<u>135,883</u>	<u>128,346</u>
<b>Funds of the charity</b>			
Unrestricted funds		<u>135,883</u>	<u>128,346</u>
<b>Total charity funds</b>	24	<u>135,883</u>	<u>128,346</u>

These financial statements were approved by the board of trustees and authorised for issue on 14/7/19, and are signed on behalf of the board by:



Mr P W 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 2018**

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#### **1. General information**

The charity is a public benefit entity and 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 Companies Act 2006.

#### **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 2018**

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#### **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 2018

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#### 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 2018**

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#### **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 are 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.

##### **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.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

# **Surf Life Saving Great Britain**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements *(continued)***

**Year ended 31 December 2018**

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#### **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.

# Surf Life Saving Great Britain

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

#### 5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
<b>Donations</b>			
Donations	57,076	74,172	131,248
<b>Subscriptions</b>			
Membership	207,655	—	207,655
	<u>264,731</u>	<u>74,172</u>	<u>338,903</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
<b>Donations</b>			
Donations	44,159	33,000	77,159
<b>Subscriptions</b>			
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 2018

#### 6. Charitable activities

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Club affiliation	68,120	68,120	32,180	32,180
Education Courses	74,974	74,974	71,992	71,992
Education Publication	12,153	12,153	15,750	15,750
Education Delivery	58,755	58,755	24,906	24,906
Events General	18,170	18,170	28,157	28,157
Events Entry Fees	95,901	95,901	88,072	88,072
Events sponsorship	134	134	126	126
	<u>328,207</u>	<u>328,207</u>	<u>261,183</u>	<u>261,183</u>

Included within income from charitable activities is £22,872 (2017: £nil) of government grant funding.

#### 7. Investment Income

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Investment Income	<u>15</u>	<u>15</u>	<u>42</u>	<u>42</u>

#### 8. Other Income

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Other Income	<u>3,462</u>	<u>3,462</u>	<u>2,152</u>	<u>2,152</u>

#### 9. Costs of raising donations and legacies

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Costs of generating funds	<u>5,762</u>	<u>5,762</u>	<u>34,347</u>	<u>34,347</u>

# Surf Life Saving Great Britain

Company Limited by Guarantee

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

### 10. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Charitable Life Saving and Sporting Activities	374,303	50,672	424,975
Support costs	208,813	23,500	232,313
	<u>583,116</u>	<u>74,172</u>	<u>657,288</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Charitable Life Saving and Sporting Activities	262,347	22,500	284,847
Support costs	197,226	10,500	207,726
	<u>459,573</u>	<u>33,000</u>	<u>492,573</u>

### 11. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2018 £	Total fund 2017 £
Charitable Life Saving and Sporting Activities	<u>424,975</u>	<u>232,313</u>	<u>657,288</u>	<u>492,573</u>

### 12. Analysis of support costs

	Charitable Life Saving and Sporting Activities £	Total 2018 £	Total 2017 £
Staff costs	79,132	79,132	73,170
Amortisation and depreciation	5,268	5,268	5,170
Other costs	147,913	147,913	129,386
	<u>232,313</u>	<u>232,313</u>	<u>207,726</u>

### 13. Net Income

Net income is stated after charging/(crediting):

	2018 £	2017 £
Depreciation of tangible fixed assets	5,268	5,170
Fees payable for the audit of the financial services	1,985	1,275
Fees payable to the auditor for non-audit services	800	800
Lease payments recognised as an expense	<u>15,313</u>	<u>11,640</u>



# Surf Life Saving Great Britain

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 December 2018

#### 14. Staff costs

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

	2018	2017
	£	£
Wages and salaries	256,688	224,484
Social security costs	21,426	17,717
Employer contributions to pension plans	3,324	1,697
	<u>281,438</u>	<u>243,898</u>

The average head count of employees during the year was 10 (2017: 9). The average number of full-time equivalent employees during the year is analysed as follows:

	2018	2017
	No.	No.
Administration and management	<u>10</u>	<u>9</u>

No employee received employee benefits of more than £60,000 during the year (2017: 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 2018 or 2017.

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

	Mr R J Martin MBE	Mr P W Lawrence
	£	£
ILS Federation meetings:		
Flights	286	—
Accommodation	331	—
Routine:		
Travel & subsistence	—	236
Miscellaneous	—	60

The total equivalent figures in 2017 were Mr R J Martin MBE £2,081 and Mr P W Lawrence £556.

#### 16. Intangible assets

	Goodwill
	£
Cost	
At 1 January 2018 and 31 December 2018	<u>20,000</u>
Amortisation	
At 1 January 2018 and 31 December 2018	<u>20,000</u>
Carrying amount	
At 31 December 2018	<u>—</u>
At 31 December 2017	<u>—</u>

# Surf Life Saving Great Britain

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 December 2018

#### 17. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2018	20,000	19,145	6,481	45,626
Additions	–	4,028	–	4,028
Disposals	–	(487)	–	(487)
<b>At 31 December 2018</b>	<b>20,000</b>	<b>22,686</b>	<b>6,481</b>	<b>49,167</b>
<b>Depreciation</b>				
At 1 January 2018	9,083	9,811	6,481	25,375
Charge for the year	1,917	3,351	–	5,268
Disposals	–	(244)	–	(244)
<b>At 31 December 2018</b>	<b>11,000</b>	<b>12,918</b>	<b>6,481</b>	<b>30,399</b>
<b>Carrying amount</b>				
At 31 December 2018	9,000	9,768	–	18,768
At 31 December 2017	10,917	9,334	–	20,251

Included within Plant and machinery are boats and engines with a total cost of £15,000 (2017: £15,000), depreciation brought forward of £4,500 (2017: £3,000) and a depreciation charge of £1,500 (2017: £1,500), newals and purchase options, and capitalised interest.

#### 18. Investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 January 2018 and 31 December 2018	1
<b>Impairment</b>	
At 1 January 2018 and 31 December 2018	–
<b>Carrying amount</b>	
At 31 December 2018	1
At 31 December 2017	1

All investments shown above are held at valuation.

# Surf Life Saving Great Britain

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

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#### 19. Investment entities

##### Subsidiaries and other investments

The charitable company has one wholly owned subsidiary, Beach Lifeguard Training Limited (company number 05250336), which is incorporated in the UK. The company was dormant during the year. The charitable company owns 100% of the ordinary share capital of the company. The net liabilities of the dormant company total £755 (2017: £755).

#### 20. Debtors

	2018	2017
	£	£
Trade debtors	5,227	29,613
Amounts owed by group undertakings	9,140	
Prepayments and accrued income		6,394
Other debtors	33,235	4,283
	<u>47,602</u>	<u>40,290</u>

#### 21. Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	17,699	4,814
Accruals and deferred income	3,970	6,519
Other creditors	14,799	17,310
	<u>36,468</u>	<u>28,643</u>

#### 22. Deferred income

	2018	2017
	£	£
At 1 January 2018	4,000	—
Amount released to income	(4,000)	—
Amount deferred in year	1,000	4,000
At 31 December 2018	<u>1,000</u>	<u>4,000</u>

#### 23. 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 £3,324 (2017: £1,697).

# Surf Life Saving Great Britain

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

#### 24. Analysis of charitable funds

##### Unrestricted funds

	At 1 January 2018 £	Income £	Expenditure £	At 31 December 2018 £
General funds	128,346	596,415	(588,878)	135,883

##### Restricted funds

	At 1 January 2018 £	Income £	Expenditure £	At 31 December 2018 £
Awards for All	—	12,000	(12,000)	—
Department for Environment, Food and Rural Affairs	—	22,872	(22,872)	—
Fisher Charitable Foundation	—	10,000	(10,000)	—
Gibbons Family Trust	—	2,000	(2,000)	—
Norman Family Charitable Trust	—	1,000	(1,000)	—
Postcode Local Trust	—	5,000	(5,000)	—
South West Water	—	20,000	(20,000)	—
Tanner Trust	—	800	(800)	—
Western Power	—	500	(500)	—
	—	74,172	(74,172)	—

The restricted funds are to be used as follows:

Awards for All Grant	- Volunteer beach lifeguard patrol project.
Department for Environment, Food and Rural Affairs	- Flood resilience equipment.
Fisher Charitable Foundation	- Volunteer beach lifeguard patrol project.
Gibbons Family Trust	- Graduate lifeguard programme.
Norman Family Charitable Trust	- Volunteer beach lifeguard patrol project.
Postcode Local Trust	- Graduate lifeguard programme.
South West Water	- Graduate lifeguard programme.
Tanner Trust	- Australia World Championships
Western Power	- Flood resilience development.

#### 25. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2018 £	Total Funds 2017 £
Tangible fixed assets	18,768	18,768	20,251
Investments	1	1	1
Current assets	153,582	153,582	136,737
Creditors less than 1 year	(36,468)	(36,468)	(28,643)
Net assets	135,883	135,883	128,346

# Surf Life Saving Great Britain

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

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#### 26. Financial Instruments

The carrying amount for each category of financial instrument is as follows:

	2018 £	2017 £
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Financial assets that are debt instruments measured at amortised cost	<u>172,351</u>	<u>156,989</u>
<b>Financial liabilities measured at amortised cost</b>		
Financial liabilities measured at amortised cost	<u>36,468</u>	<u>28,643</u>

#### 27. Operating lease commitments

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

	2018 £	2017 £
Not later than 1 year	15,694	15,694
Later than 1 year and not later than 5 years	<u>9,317</u>	<u>22,022</u>
	<u>25,011</u>	<u>37,716</u>

#### 28. Related party transactions

During the year the charity incurred expenses on behalf of its subsidiary, Beach Lifeguard Training Limited, totalling £13 (2017: £13).