



**BELLARINE BAYSIDE FORESHORE  
COMMITTEE OF MANGEMENT INC.**

ABN 12 722 496 556

**FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2016**

# **Bellarine Bayside Foreshore Committee of Management Inc.**

**ABN 12 722 496 556**

## **Bellarine Bayside Foreshore Committee of Management Inc.**

**ABN 12 722 496 556**

### **Financial report for the year ended 30 June 2016**

#### **COMMITTEE'S REPORT**

The Committee of Management presents this report on the entity for the financial year ended 30 June 2016.

#### **Committee of Management**

The names of each person who has been a committee member during the year and to the date of this report are:

Diane James AM: Chair

Therese Cotter: Deputy Chair

Elaine Carbines

Steve Griffin

Paul Simmons

Lindsay Ellis

Graeme McGregor AO

Neil Bell:— *resigned 01/08/2015*

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

#### **Principal Activities**

The principal activity of the entity during the financial year was the management, improvement, maintenance and control of the public land reserves of Portarlington, Indented Head and St Leonards.

#### **Review of Operations**

In 2012 the committee in conjunction with a wide range of stakeholders, set the strategic plan for the northern Bellarine Peninsula. The vision and the strategies articulated in the plan set the direction for the future management of the coast for the next 15-20 years. The plan identifies five goals and seventy-six actions, the achievement of which will help realise the vision. The five goals are:

1. Understand, protect and enhance the natural environment;
2. Connect communities and the coast;
3. Facilitate access, enjoyment and sustainable use of the coast;
4. Improve built environments along the coast; and
5. Develop Bellarine Bayside as a sustainable, adaptive and accountable organisation that takes up its role in partnership with others.

The 2015-16 operating plan continued to address the entity's long term strategic aims within the constraints and parameters of its financial capability set in its annual budget.

For the year ending 30 June 2016, the entity generated revenues of \$6,223,158 (2015: \$5,959,291). This represented an increase of \$263,867 or 4.4% on the previous corresponding period [pcp]. Caravan park revenues, which are the entity's prime source of income, were \$5,676,286 (91% of total revenue) and a 4.4% increase on the \$5,436,765 derived in 2014-15.

Other revenues included \$167,905 (2.7% of total) from foreshore leases, licences, permits, operating grants and other income and \$378,967 (6.1% of total) from grants and subsidies received from State Government and other funding bodies. The respective figures for pcp were \$177,087 of other revenues and \$345,439 from grants.

## Bellarine Bayside Foreshore Committee of Management Inc.

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### COMMITTEE'S REPORT

Grant monies received in the current or prior periods and brought to account as income in the current year comprised:	\$
City of Greater Geelong – Indented Head Community Hall – improvements project	150,000
Department of Environment Land Water & Planning – Local Landscape enhancement grant – trail re-alignment at Portarlington	49,946
Department of Environment Land Water and Planning - Communities for Nature – Portarlington foreshore planting days - trail re-alignment project	28,800
Department of Environment Land Water and Planning – Coastal Risk Mitigation – Beach access upgrade	10,000
Department of Environment Land Water and Planning – Beach cleaning subsidy program	16,864
Department Transport, Planning Local Infrastructure – St Leonards boat ramp jetty refurbishment	34,616
Department of Environment Land Water & Planning - Public Risk and Access – replacement of Lower Bluff stairs at St Leonards	44,247
Department Transport, Planning Local Infrastructure – Indented Head boat ramp & jetty renewal project	10,375
Department Transport, Planning Local Infrastructure - Pt Richards boat ramp precinct and carpark upgrade	26,192
Corangamite Catchment Management Authority – Coastal Tender – Pt Richards Flora and Fauna Reserve project	7,927
	378,967

Receipts from grants in the pcp were \$345,439.

Total expenditure for the year (excluding depreciation charges) was \$5,241,291 (2015: \$4,589,768). This was an increase of \$651,523 or 14.2% on the pcp. The increase in expenditure was largely attributable to a 60% or \$497,158 increase in repair, renewal and maintenance expenditures and 15% increase in staff employment costs. Areas of maintenance receiving significant attention this year included, tree-risk mitigation, Indented Head Hall and environs, boat ramp and jetty refurbishments, and a range of improvements to amenities within each of the holiday parks, largely in response to camper requests. The increase in staffing and employment cost was due in part the general wage increase of 2.5%, the employment of two additional full-time staff in the communications and planning areas and expenditures associated with the commencement and ending of employment contracts.

During the year, the committee revisited the entity's approach to the management of assets both within the parks and along the foreshores. The result was to embark upon a more robust approach to asset management with the implementation of asset management planning. This involved the engagement of asset management specialist to assist with the identification, mapping and valuation of buildings and improvements within the parks and along the foreshore. The implementation of this decision has resulted in re-defined asset classes and a significant increase in the carrying value of property and improvement assets in particular. The result of this shown in the statement of financial position and a corresponding increase in equity through the establishment of an assets revaluation reserve. This has been a critical piece of work and the outcomes of the project should assist the committee in its forward financial planning in respect of the maintenance of acceptable service levels for park and foreshore assets over future years: - refer Note: 1.1 Changes in Accounting Policies.

Overall, the committee is pleased to report the completion of another successful year. Operations yielded a trading surplus for the year of \$462,578 (2015: \$753,108) – a decrease of \$290,530. Notwithstanding, cash flows from operations were maintained at a level strongly positive and comparable to the previous year - \$1,568,183 (2015: \$1,569,610). End of year cash holdings were bolstered by a combination of trading surplus and the early receipt of grant monies which are to be applied to projects in the next period. This saw cash and investments rising \$995,940 to \$2,828,679 from \$1,832,739 held at year end of the previous year. The entity remains in a sound financial position.

# Bellarine Bayside Foreshore Committee of Management Inc.

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## COMMITTEE'S REPORT

### Events Subsequent to Balance Date

As at the date of this report, the committee is not aware of any matter or circumstance occurring since the end of the financial year that has affected or may significantly affect the operations of the entity, the results of those operations or the state of affairs of the entity.

### Information on Members of the Committee of Management

<b>Diane James</b>	–	Chair
Qualifications	–	FAICD, IECL Level 1 Coach, Grad Cert Innovation and Entrepreneurship (2010)
Experience	–	Extensive experience in business and leadership development and community engagement. Current directorships – St Laurence Community Services, Southern Rural Water. Former roles: Victoria Coastal Council (Chairman), Barwon Water, EPA Victoria, Barwon Coast Committee of Management (inaugural Chairman), Member of Order of Australia (AM).
Special Responsibilities	–	Chairman of CEO Performance and Remuneration sub-Committee
<b>Therese Cotter</b>	–	Deputy Chair
Qualifications	–	BNurs, Grad Dip Bus Mgt, MBA
Experience	–	Extensive experience in management, leadership and governance roles in healthcare. Presently, Programme Director, Enterprise at Barwon Health
Special Responsibilities	–	Member of Community Engagement sub-committee
<b>Elaine Carbines</b>	–	Committee member
Qualifications	–	BA, Dip Ed, GAICD
Experience	–	Extensive experience in leadership and project management. Presently, CEO of G21 Geelong Regional Alliance. Current directorships – Barwon South West Regional Development Committee, Karingal Foundation and G-Force Recruitment Ltd. Former significant roles – member of parliament representing Geelong Province, parliamentary secretary for education and environment, manager of strategic relations with Parks Victoria
Special Responsibilities	–	Chair of Community Engagement sub-committee
<b>Steve Griffin</b>	–	Committee member
Qualifications	–	B.App.Sc., Dip Ed, Assoc. Dip LGM, MBM.
Experience	–	Extensive experience in management and leadership. Presently, CEO for State Emergency Services – Victoria. Former significant roles include CEO for Geelong City Council, management roles in local government – City of Melbourne, City of Werribee and Wyndham City Council
Special Responsibilities	–	Member of Risk Audit & Finance sub-committee Member of CEO Performance and Remuneration sub-Committee

## Bellarine Bayside Foreshore Committee of Management Inc.

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### COMMITTEE'S REPORT

<b>Paul Simmons</b>	–	Committee member
Qualifications	–	LLP, GDLP, LLM
Experience	–	Professional background in law, negotiation and management with expertise in commercial agreements. Presently, Senior Lawyer at National Disability Insurance Agency. Former significant roles include – leading senior solicitor at Native Title Services Victoria, lawyer with Australian Government Solicitor – Canberra.
Special Responsibilities	–	Member of CEO Performance and Remuneration sub-Committee
<b>Lindsay Ellis</b>	–	Committee member
Experience	–	Long-time resident of Portarlington of 40 years with family connections to the Bellarine since 1857. Experience in management and community involvement and representation. Current directorships/committee membership roles include – treasurer The Port Report. Former significant roles include distribution manager for The Geelong Advertiser.
Special Responsibilities	–	Member of Community Engagement sub-committee
<b>Graeme McGregor AO</b>	–	Committee member
Qualifications	–	Officer of the Order of Australia, 1997, B.Ec, FCPA
Experience	–	Extensive and distinguished experience in finance, accounting and leadership with a 43 year career with BHP culminating in the attainment of role as Executive Director Finance. Former directorships/chair of audit committee with a number of top 100 public-listed companies. Formerly national president of CPA Australia, treasurer of Australian Institute of Company Directors, and Australian representative on the International Federation of Accountants as well as a member of several Federal Government Committees, including the Financial Reporting Council. Portarlington resident for nearly 30 years and active in community serving, since 2006, as treasurer for the Portarlington Golf Club with service recognised by being voted Club Official of the Year by Community Clubs Victoria in 2014.
Special Responsibilities	–	Chair of Risk, Audit and Finance sub-committee

# Bellarine Bayside Foreshore Committee of Management Inc.

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## Meetings of Committee of Management

During the financial year, 10 meetings of the committee of management were held. Attendances by each committee member were as follows:

	Committee Meetings	
	Number eligible to attend	Number attended
Diane James AM	10	9
Therese Cotter	10	10
Elaine Carbines	10	8
Steve Griffin	10	7
Paul Simmons	10	8
Lindsay Ellis	10	7
Graeme McGregor AO	10	9
Neil Bell (resigned – August 2015)	1	1

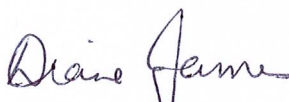
The entity is a declared corporation under S14A of the Crown Lands (Reserves) Act 1978 and is a public entity for the purposes of the Public Administration Act 2004. The committee is charged with the responsibility to manage, improve, maintain and control the public land reserves of Portarlington, Indented Head and St Leonards situated on the northern coastline of the Bellarine Peninsula. The committee is respondent to the Minister for Environment, Climate Change and Water through the Department of Environment, Land, Water and Planning.

## Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2016 has been received and can be found on page 6 of the financial report.


This committee's report is signed in accordance with a resolution of the Committee of Management.

Committee member:



Diane James AM - Chair

Committee member:



Therese Cotter – Deputy Chair

Dated this 5th day of August 2016

AUDITOR'S INDEPENDENCE DECLARATION  
TO THE MEMBERS OF BELLARINE BAYSIDE FORESHORE COMMITTEE OF MANAGEMENT INC.

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016 there have been no contraventions of the auditor independence requirements as set out in the applicable code of professional conduct in relation to the audit.

*LBW*

**LBW CHARTERED ACCOUNTANTS**

*[Signature]*

**SRIPATHY SARMA**

**Principal**

Dated this 05th

day of August

2016



**LBW**  
Chartered Accountants

**GEELONG**  
35-37 Gordon Avenue  
Geelong West 3218  
T: 5221 6111  
F: 5223 1966

**MELBOURNE**  
Level 3,  
365 Lt Collins Street  
Melbourne 3000  
T: 9670 4444  
F: 5223 1966

**COLAC**  
7 Bromfield Street  
Colac 3250  
T: 5231 5999  
F: 5223 1966

**EMAIL**  
[lbw@lbwca.com.au](mailto:lbw@lbwca.com.au)  
**WEB**  
[www.lbwca.com.au](http://www.lbwca.com.au)

# Bellarine Bayside Foreshore Committee of Management Inc.

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## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Revenue	2	5,844,191	5,613,852
Grants - operating	2	298,153	(4,433)
Grants - projects	2	80,814	349,872
Operating expenses	3	(5,241,291)	(4,589,768)
Depreciation and impairment charges	8 & 9	(519,289)	(616,415)
<b>Net surplus / (deficit) for the year</b>		462,578	753,108
<b>Other comprehensive income</b>			
Item not reclassified subsequently to profit or loss:			
Gain on revaluation of buildings and land improvements	1 & 8	15,594,180	-
<b>Total other comprehensive income for the year</b>		15,594,180	753,108
<b>Total comprehensive income for the year</b>		16,056,758	753,108

The accompanying notes form part of these financial statements.



# Bellarine Bayside Foreshore Committee of Management Inc.

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## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	928,679	1,832,739
Trade and other receivables	5	78,513	71,151
Financial assets	6	1,900,000	-
Other assets	7	57,525	32,872
<b>TOTAL CURRENT ASSETS</b>		<b>2,964,717</b>	<b>1,936,762</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	20,806,809	5,243,374
Intangible assets	9	-	-
Other assets	7	834	4,909
<b>TOTAL NON-CURRENT ASSETS</b>		<b>20,807,643</b>	<b>5,248,283</b>
<b>TOTAL ASSETS</b>		<b>23,772,360</b>	<b>7,185,045</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	140,433	57,697
Deferred income	11	2,521,963	1,996,944
Borrowings	12	36,131	94,510
Employee entitlements	13	215,790	221,409
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,914,317</b>	<b>2,370,560</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	12	7,043	43,174
Employee entitlements	13	48,611	25,680
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>55,654</b>	<b>68,854</b>
<b>TOTAL LIABILITIES</b>		<b>2,969,971</b>	<b>2,439,414</b>
<b>NET ASSETS</b>		<b>20,802,389</b>	<b>4,745,631</b>
<b>EQUITY</b>			
Asset Revaluation Reserve		15,594,180	-
Retained earnings		4,745,631	3,992,523
Surplus / (deficit) for year		462,578	753,108
<b>TOTAL EQUITY</b>		<b>20,802,389</b>	<b>4,745,631</b>

The accompanying notes form part of these financial statements.

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**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016**

	<b>Note</b>	<b>Surplus / (deficit) for year</b>	<b>Retained earnings</b>	<b>Asset revaluation reserve</b>	<b>Total</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2014</b>		-	<b>3,992,523</b>	-	<b>3,992,523</b>
<b>Comprehensive income</b>					
Surplus for the year		753,108	-	-	753,108
Other comprehensive income for the year		-	-	-	-
<b>Total comprehensive income for the year</b>		<b>753,108</b>	<b>-</b>	<b>-</b>	<b>753,108</b>
<b>Balance at 30 June 2015</b>		<b>753,108</b>	<b>3,992,523</b>	<b>-</b>	<b>4,745,631</b>
<b>Balance at 1 July 2015</b>		-	<b>4,745,631</b>	-	<b>4,745,631</b>
<b>Comprehensive income</b>					
Surplus for the year		462,578	-	-	462,578
Other comprehensive income for the year	1 & 8		-	15,594,180	15,594,180
<b>Total comprehensive income for the year</b>		<b>462,578</b>	<b>-</b>	<b>15,594,180</b>	<b>16,056,758</b>
<b>Balance at 30 June 2016</b>		<b>462,578</b>	<b>4,745,631</b>	<b>15,594,180</b>	<b>20,802,389</b>

The accompanying notes form part of these financial statements.

**Bellarine Bayside Foreshore Committee of Management Inc.**

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**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016**

	<b>Note</b>	<b>2016</b>	<b>2015</b>
		<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipt of grants		765,265	379,983
Other receipts		6,431,284	6,258,425
Payments to suppliers and employees		(5,501,540)	(4,991,681)
Interest received		20,424	12,972
Net GST paid		(147,250)	(90,089)
Net cash generated from operating activities		<u>1,568,183</u>	<u>1,569,610</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net movement in financial assets		(1,900,000)	-
Proceeds from sale of property, plant and equipment		10,811	15,128
Payment for property, plant and equipment		(488,544)	(734,497)
Net cash used in investing activities		<u>(2,377,733)</u>	<u>(719,369)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net movement in hire-purchase asset financing		(94,510)	(97,245)
Net cash generated by/(used in) financing activities		<u>(94,510)</u>	<u>(97,245)</u>
Net increase / (decrease) in cash held		<u>(904,060)</u>	<u>752,996</u>
 Cash and cash equivalents at beginning of financial year		 <u>1,832,739</u>	 <u>1,079,743</u>
 Cash and cash equivalents at end of financial year	 4	 <u><u>928,679</u></u>	 <u><u>1,832,739</u></u>

The accompanying notes form part of these financial statements.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Preparation

Bellarine Bayside Foreshore Committee of Management Inc. applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2010–2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*.

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB). The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board [AASB] has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 5th August 2016 by the committee of management of the entity.

### NOTE 1.1 CHANGES IN ACCOUNTING POLICIES

#### 1.1.1 REVISED APPROACH TO ACCOUNTING FOR PROPERTY ASSETS

Last year the committee of management took the decision to revert the accounting for building and property improvement assets back to a cost basis due to inconsistencies in the practices adopted and applied in previous periods. At that time the committee was aware that this was an interim step and undertook to commission professional expertise in establishing an asset management plan. To this end specialist asset management firm, CT Asset Management was engaged to assist with the development of improved governance around asset management through development of policies and procedures and attend to the identification, mapping, condition assessments and valuation of the entity's building and improvement assets within the parks and long the foreshore. In this exercise, assets have been valued at current replacement cost with fair value represented by the remaining service potential of each asset based on its assessed condition. Current replacement cost information was sourced from the authoritative references – Rawlinson's Australian Costing Guide and data from the Municipal Association of Victoria. At its June 2016 meeting, the committee accepted that the revised approach complies with accounting standards and adopted an asset management policy and the new assets register. The committee approved the introduction of the new asset register and the assessed values to the entity's accounts as at 30 June 2016 with accounting adjustments to the entity's net worth reflected in an asset revaluation reserve.

The revised approach to accounting for building and improvement assets is summarised as follows:

- a) Six asset classes have been established:
  1. Buildings – with sub-classes for parks & foreshore;
  2. Land Improvements – with sub-classes for parks & foreshore;
  3. Marine Improvements;
  4. Paths & Bridges – with sub-classes for parks & foreshore;
  5. Public Furniture and Fixtures – with sub-classes for parks & foreshore; and
  6. Roads – with sub-classes for parks & foreshore.
- b) The asset classes: Office, Workshop Equipment and Motor Vehicles & Heavy Plant continue to be maintained on an historical cost basis with straight-line depreciation applied;
- c) Analysis of the completed asset register along with condition assessments allowed the calculation of the average useful lives of assets within each class and the results have been used to determine the depreciation rates applied – refer Note 1.2 b. – Depreciation;

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- d) The gross carrying value of the assets in the new classes for introduction to the accounts as at 30 June 2016 is \$29,643,392;
- e) The accumulated depreciation in respect of those assets is \$9,191,871;
- f) The net or written-down carrying value is \$20,451,521;
- g) The net written down carrying value of the asset classes that are being replaced is \$4,857,341.
- h) The difference between the written down carrying values of the two sets of asset classes is \$15,594,180 [\$20,451,521 - \$4,857,341] and is brought to account as Other comprehensive income in the Statement of Comprehensive Income and will represent an increase in Equity on the Balance Sheet and is presented as an Asset Revaluation Reserve;
- i) Together with the written-down values as at 30 June 2016 of the continuing asset classes, Office, Workshop Equipment: \$65,364, Motor Vehicles & Heavy Plant: \$187,323 and work-in-progress: \$102,601, the total net carrying value of assets as at 30 June 2016 after the introduction of the new asset classes is \$20,806,809.

### 1.2 ACCOUNTING POLICIES

#### a. **Revenue**

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Bellarine Bayside Foreshore Committee of Management Inc. receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

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

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

#### b. **Property, Plant and Equipment**

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

##### **Property**

Buildings, Land Improvements, Marine Improvements, Paths & Bridges, Public Furniture and Fixtures and Roads are shown at current replacement cost less accumulated depreciation and impairment losses.

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### Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(e) for details of approach to assessment of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

### Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use.

The weighted average depreciation rates applicable to each class of depreciable assets are:

Class of Fixed Asset	Weighted Average Depreciation Rate
Buildings	1.86%
Land improvements	3.85%
Marine improvements	2.77%
Paths & bridges	4.48%
Public furniture & fixtures	6.78%
Roads	2.49%
Plant and equipment	10.00% – 33.33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are disposed or sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

#### c. Leases / Hire purchase

Leases or hire-purchase of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the entity, are classified as finance leases.

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

#### d. Financial Instruments

##### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets and are initially measured at fair value plus transactions costs except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are recognised immediately as expenses in profit or loss.

### Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

*Amortised cost* is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified as “fair value through profit or loss” when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity’s intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) *Available-for-sale investments*

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any re-measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) *Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

**Impairment**

At the end of each reporting period, the entity assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the entity recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

**De-recognition**

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged or cancelled, or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**e. Impairment of Assets**

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

**f. Employee Benefits**

**Short-term employee benefits**

Provision is made for the entity's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) for which the entity has an obligation that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries, accrued annual leave and vesting long service leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.



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The entity's obligations for short-term employee benefits are recognised as a part of current employee entitlements in the statement of financial position.

### Other long-term employee benefits

The entity classifies employees' non-vesting long service leave as non-current employee entitlements when there is not a present obligation and there is no expectation of settlement within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for these future obligations and measure same at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to wage inflation and discount rates issued by the Victorian Government's Department of Treasury and Finance. Upon the re-measurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The entity's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

### Retirement benefit obligations

#### *Defined contribution superannuation benefits*

All employees of the entity receive defined contribution superannuation entitlements, for which the entity pays the fixed superannuation guarantee contribution (currently 9.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The entity's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities – trade and other payables, in the entity's statement of financial position.

#### g. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts, when drawn, are shown within short-term borrowings in current liabilities on the statement of financial position.

#### h. **Goods and Services Tax (GST)**

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

#### i. **Income Tax**

No provision for income tax has been raised as the entity is exempt from income tax under Div. 50 of the *Income Tax Assessment Act 1997*. Bellarine Bayside Foreshore Committee of Management Inc. is body incorporated under the S14A of the Crown Lands (Reserves) Act 1978 with effect from 1 Oct 1994 and was declared as a public entity under the Public Administration Act 2004 with effect from 1 July 2013.

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**j. Intangibles**

**Software**

Software is initially recognised at cost. It has a finite life and is carried at cost less any accumulated amortisation and impairment losses. Software has an estimated useful life of between one and three years. It is assessed annually for impairment.

**k. Provisions**

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**l. Comparative Figures**

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**m. Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the entity during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**n. Economic Dependence**

Bellarine Bayside Foreshore Committee of Management Inc. is dependent on the on-going commercial viability of the six caravan and camping parks it operates on the foreshore of the northern Bellarine peninsula. Typically, ninety percent or more of its revenue is derived from the park operations and these revenues are used, in part, to maintain and improve the caravan and camping parks, to maintain and improve the coastal environs of the 17 km Crown land reserve for which the committee has custodial responsibility and, in part, to maintain the financial well-being of the entity. Whilst the entity seeks financial assistance and grant monies from time-to-time from Government and others, it is not financially or economically dependent upon the Government or other funding bodies.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### NOTE 2: REVENUE AND OTHER INCOME

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Revenue from holiday parks:		
– Portarlington	4,574,043	4,410,811
– Indented Head	757,070	707,341
– St Leonards	345,173	318,613
	<hr/> 5,676,286	<hr/> 5,436,765
Other income:		
– Foreshore leases, licences & permits	119,737	130,385
– Interest received on financial assets	31,316	14,293
– Gain on disposal of property, plant and equipment	10,811	15,128
– Grants - operating	298,153	(4,433)
– Grants - projects	80,814	349,872
– Other income	6,041	17,281
<b>Total other income</b>	<hr/> 546,872	<hr/> 522,526
<b>Total revenue and other income</b>	<hr/> <hr/> 6,223,158	<hr/> <hr/> 5,959,291

# Bellarine Bayside Foreshore Committee of Management Inc.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### NOTE 3: PROFIT FOR THE YEAR

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>a. Operating Expenses by function</b>		
Portarlington holiday park expenses	1,642,178	1,540,029
Indented Head holiday park expenses	342,874	328,842
St Leonards holiday park expenses	221,270	202,033
Employee benefits and on-costs - administration	579,171	532,220
Contract labour - administration	24,847	56,513
General administration expenses	425,476	422,650
Governance expense	24,187	39,118
Plant and equipment expenses	173,206	194,070
Foreshore reserves and halls expense	1,408,357	1,089,862
Tree maintenance expense	247,014	112,086
Boat ramp maintenance expense	152,711	72,345
<b>Total Operating expenses</b>	<b>5,241,291</b>	<b>4,589,768</b>

# Bellarine Bayside Foreshore Committee of Management Inc.

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### NOTE 3: PROFIT FOR THE YEAR

	2016	2015
	\$	\$
<b>b.. Operating Expenses by nature</b>		
Advertising, marketing, promotion, consultations	44,522	69,985
Audit	11,000	5,500
Bank charges	30,375	32,205
Committee expenses	5,087	16,561
Computer software and services	96,849	131,307
Consultants	108,426	86,962
Cabin consumables (incl. laundry)	28,565	25,676
Contract cleaning	237,794	246,307
Contract labour (parks, foreshore and office)	124,560	185,145
Doubtful debt expense	(8,945)	8,945
Electricity	252,659	265,406
Fuel (petrol, diesel and oils)	37,257	39,584
Gas	37,999	41,202
Interest – hire purchase motor vehicles and heavy plant	10,290	9,325
Insurance	55,455	41,422
Leasing – motor vehicles	57,279	83,922
Legal	32,764	9,605
Memberships, licences and permits	13,802	13,413
Postage, printing, stationery and other administration	49,932	59,867
Repairs and maintenance – motor vehicles and heavy plant	58,121	54,260
Repairs and maintenance – parks, foreshore, trees, boat ramps	1,324,235	827,077
Security	56,744	60,212
Staff employment costs	2,134,938	1,850,042
Telephone	29,262	37,033
Waste and garbage disposal	249,106	246,534
Water and rates	163,215	142,271
<b>Total Operating expenses</b>	5,241,291	4,589,768

# Bellarine Bayside Foreshore Committee of Management Inc.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### NOTE 4: CASH AND CASH EQUIVALENTS

	2016	2015
	\$	\$
CURRENT		
Cash at bank	925,079	1,828,921
Cash on hand	3,600	3,818
Total cash and cash equivalents	928,679	1,832,739

### NOTE 5: TRADE RECEIVABLES

	Note	2016	2015
		\$	\$
CURRENT			
Trade receivables		78,513	80,096
Provision for impairment	5a	-	(8,945)
Total current trade receivables		78,513	71,151

### NOTE 5: TRADE RECEIVABLES

#### a. **Provision for Impairment of Receivables**

Movement in the provision for impairment of receivables is as follows:

	\$
Provision for impairment as at 1 July 2014	-
- Charge for year	8,945
- Written off	-
Provision for impairment as at 30 June 2015	8,945
- Charge for year	(8,945)
- Written off	-
Provision for impairment as at 30 June 2016	-

### NOTE 6: FINANCIAL ASSETS

	2016	2015
	\$	\$
CURRENT		
Held-to-maturity investments > 3 months & < 12 months to maturity	1,900,000	-
Total financial assets	1,900,000	-

# Bellarine Bayside Foreshore Committee of Management Inc.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### NOTE 7: OTHER ASSETS

	Note	2016 \$	2015 \$
CURRENT			
Accrued income		12,213	1,321
Deferred financing costs	11	4,075	10,336
Prepayments		41,237	21,215
		<u>57,525</u>	<u>32,872</u>
NON CURRENT			
Deferred financing costs	11	834	4,909
Total other assets		<u>58,359</u>	<u>37,781</u>

### NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	2016 \$	2015 \$
a) <b>Carrying amounts of property, plant and equipment <u>immediately before</u> introduction of revised asset classes and values on 30 June 2016</b>		
Buildings at cost	1,197,281	1,216,242
Buildings at valuation – <i>toilet blocks at June 1996 insurance valuation</i>	1,394,125	1,447,971
Caravan park upgrades	32,486	33,740
Boat ramp upgrades	817,326	882,236
Property improvements	1,375,001	1,169,080
Sewer plant	29,206	62,723
Parks Hall furniture and fittings	10,250	15,725
Cabins and contents	1,666	4,001
Office, store and workshop equipment *	65,364	97,958
Motor vehicles and heavy plant *	187,323	250,449
Works in progress *	102,601	63,249
Total property, plant and equipment	<u>5,212,629</u>	<u>5,243,374</u>

Note: Asset classes marked \* are not subject to revision and are carried forward at stated amortised values.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**NOTE 8: PROPERTY, PLANT AND EQUIPMENT**

	<b>2016</b>
	<b>\$</b>
<b>b) Carrying amounts of property, plant and equipment – immediately <u>upon introduction</u> of revised asset classes and values as at 30 June 2016</b>	
Buildings	12,512,805
Land improvements	2,882,030
Marine improvements	630,487
Paths & bridges	394,263
Public furniture and fixtures	1,524,720
Roads	2,507,216
Office, store and workshop equipment *	65,364
Motor vehicles and heavy plant *	187,323
Work-in-progress *	102,601
Total property, plant and equipment	<u>20,806,809</u>

Note: Asset classes market \* were not subject to revision and were carried forward at the stated amortised values.



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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2016**

**NOTE 8: PROPERTY, PLANT AND EQUIPMENT**

Movements in carrying amounts for each class of Property, Plant and Equipment between the beginning and immediately before the end of the current year just prior to the Introduction of revised asset classes and values

	Buildings at cost	Buildings at valuation	Caravan park upgrades	Boat ramp upgrades	Property improvements	Sewer plant	Parks Hall furniture & fittings	Cabins & contents	Office, Workshop Equipment	Motor Vehicles & Heavy Plant	Work in progress	Total
<b>2016</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July 2015	2,064,298	2,147,939	50,000	1,059,352	2,789,633	1,276,168	44,457	577,863	448,182	559,462	63,249	11,080,603
Transfers from work in progress to asset class	-	-	-	-	63,249	-	-	-	-	-	(63,249)	-
Transfer between asset classes upon reclassification of item	91,885	-	-	-	-	-	-	-	(97,821)	5,936	-	-
Additions at cost	-	-	-	-	299,139	-	-	-	47,718	39,086	102,601	488,544
Disposals	-	-	-	-	-	-	-	-	(145,411)	(49,397)	-	(194,808)
<b>Gross carrying at 30 June 2016</b>	<b>2,156,183</b>	<b>2,147,939</b>	<b>50,000</b>	<b>1,059,352</b>	<b>3,152,021</b>	<b>1,276,168</b>	<b>44,457</b>	<b>577,863</b>	<b>252,668</b>	<b>555,087</b>	<b>102,601</b>	<b>11,374,339</b>
Accumulated depreciation at 1 July 2015	(848,056)	(699,968)	(16,260)	(177,116)	(1,620,553)	(1,213,445)	(28,732)	(573,862)	(350,224)	(309,013)	-	(5,837,229)
Transfer between asset classes upon reclassification of item	(35,705)	-	-	-	-	-	-	-	41,641	(5,936)	-	-
Amount eliminated on disposals	-	-	-	-	-	-	-	-	145,411	49,397	-	194,808
Depreciation expense	(75,141)	(53,846)	(1,254)	(64,910)	(156,467)	(33,517)	(5,475)	(2,335)	(19,561)	(102,212)	-	(514,718)
Impairment charge									(4,571)			(4,571)
<b>Total accumulated depreciation at 30 June 2016</b>	<b>(958,902)</b>	<b>(753,814)</b>	<b>(17,514)</b>	<b>(242,026)</b>	<b>(1,777,020)</b>	<b>(1,246,962)</b>	<b>(34,207)</b>	<b>(576,197)</b>	<b>(187,304)</b>	<b>(367,764)</b>	<b>-</b>	<b>(6,161,710)</b>
<b>Carrying amount at 30 June 2016</b>	<b>1,197,281</b>	<b>1,394,125</b>	<b>32,486</b>	<b>817,326</b>	<b>1,375,001</b>	<b>29,206</b>	<b>10,250</b>	<b>1,666</b>	<b>65,364</b>	<b>187,323</b>	<b>102,601</b>	<b>5,212,629</b>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2016**

**NOTE 8: PROPERTY, PLANT AND EQUIPMENT**

**Carrying amounts for each of the revised classes of Property, Plant and Equipment immediately upon the introduction of revised asset classes and values on 30 June 2016**

	<b>Buildings</b>	<b>Land Improve- ments</b>	<b>Marine Improve- ments</b>	<b>Paths &amp; Bridges</b>	<b>Public Furniture &amp; Fixtures</b>	<b>Roads</b>	<b>Office, workshop equipment</b>	<b>Motor vehicles &amp; heavy plant</b>	<b>Work In Progress</b>	<b>Total</b>
<b>2016</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Gross carrying upon introduction of revised asset classes at 30 June 2016</b>	17,145,283	4,215,568	1,538,850	479,832	2,420,590	3,843,269	252,668	555,087	102,601	30,553,748
<b>Total accumulated depreciation at 30 June 2016</b>	(4,632,478)	(1,333,538)	(908,363)	(85,569)	(895,870)	(1,336,053)	(187,304)	(367,764)	-	(9,746,939)
<b>Carrying amount at 30 June 2016</b>	<b>12,512,805</b>	<b>2,882,030</b>	<b>630,487</b>	<b>394,263</b>	<b>1,524,720</b>	<b>2,507,216</b>	<b>65,364</b>	<b>187,323</b>	<b>102,601</b>	<b>20,806,809</b>

# Bellarine Bayside Foreshore Committee of Management Inc.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### NOTE 8: PROPERTY, PLANT AND EQUIPMENT

#### Assets under hire purchase

The entity's obligations under hire purchase agreements (see Note 12) are secured by the lender's title to the hired assets which have a carrying amount of \$96,877 (2015: \$176,145). The subject assets are items classified as Motor Vehicles and Heavy Plant and form part of the total carrying amount of that class of property, plant and equipment.

### NOTE 9: INTANGIBLE ASSETS

	2016	2015
	\$	\$
Computer software – at cost	28,470	28,470
Accumulated amortisation	(28,470)	(28,470)
Net carrying amount	-	-

#### Computer Software \$

#### 2016

Balance at the beginning of the year	-
Additions	-
Disposals	-
Amortisation charge	-
Impairment losses	-
	-

### NOTE 10: TRADE AND OTHER PAYABLES

	Note	2016	2015
		\$	\$
CURRENT			
Creditors		88,048	3,418
Accrued expenses		66,404	87,322
Fringe benefits tax accrued		11,435	10,431
GST liability / (asset)		(51,090)	(60,011)
PAYG tax liability		21,408	-
Payroll tax liability		4,228	2,894
Superannuation contributions liability		-	13,643
		140,433	57,697

# Bellarine Bayside Foreshore Committee of Management Inc.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### NOTE 11: DEFERRED INCOME

	Note	2016 \$	2015 \$
CURRENT			
Deposits and bonds		1,893,188	1,759,558
Grants received in advance	11-1	628,775	237,386
		<u>2,521,963</u>	<u>1,996,944</u>

Deferred deposit and bonds income represents advance payments for camp and caravan site bookings. Income is recognised upon the commencement of the holiday stay. Bonds are refundable upon return of keys or taken to income when keys are lost or not returned.

Deferred grant income consists of government and local council grants received in advance for works to be undertaken by the entity. Deferred grant income is amortised over the life of the deed of grant or completion of the works.

#### 11-1: Movement and reconciliation of Grant funds received in advance of recognition as income

Grant monies received and brought to account during the year or received in a previous period and recognised and brought to account this year comprised:	Funds brought forward from prior period	Funds received or receivable during current period	Funds recognised as income in current year	Funds carried forward to be recognised as income as matched against expenditure in future period
	\$	\$	\$	\$
City of Greater Geelong – Indented Head Community Hall – improvements project	60,000	90,000	150,000	-
Dept. Transport, Planning Local Infrastructure - Pt Richards Boat Ramp Precinct and Carpark Upgrade	120,533	200,000	10,375	310,158
Dept. Environment Land Water & Planning – Local Landscape enhancement grant – trail re-alignment at Portarlington	-	49,946	49,946	-
Dept. of Environment Land Water and Planning - Communities for Nature – Portarlington foreshore planting days - trail re-alignment project	28,800	-	28,800	-
Dept. of Environment Land Water and Planning – Coastal Risk Mitigation – Beach Access upgrade	10,000	-	10,000	-
Dept. Transport, Planning Local Infrastructure – St Leonards Boat Ramp Jetty refurbishment	-	34,616	34,616	-
Dept. of Environment Land Water & Planning - Public Risk and Access – replacement of Lower Bluff Stairs at St Leonards	-	44,247	44,247	-
Dept. Transport, Planning Local Infrastructure – Indented Head Boat Ramp & Jetty Renewal project	-	180,000	26,192	153,808

# Bellarine Bayside Foreshore Committee of Management Inc.

ABN 12 722 496 556

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Dept. of Environment Land Water & Planning - Beach Cleaning subsidy 2014/15	-	16,864	16,864	-
Dept. of Environment Land Water and Planning – Coastal Environments Program – Bengalat Reserve seawall repairs	-	40,000	-	40,000
Dept. of Environment Land Water and Planning – Coastal Environments Program – Taylor Reserve – foreshore protection	-	50,000	-	50,000
Corangamite Catchment Management Authority – Coastal Tender – Pt Richards Flora and Fauna Reserve project	-	25,575	7,927	17,648
	219,333	731,248	<b>378,967</b>	571,614
GST related to amount carried forward	18,053			57,161
Total amount carried forward for recognition in a future period as and when associated works are completed	<b>237,386</b>			<b>628,775</b>

### NOTE 12: BORROWINGS

	Note	2016 \$	2015 \$
CURRENT			
Hire purchase liabilities		36,131	94,510
NON-CURRENT			
Hire purchase liabilities		7,043	43,174
Total borrowings		<b>43,174</b>	<b>137,684</b>

Payable – minimum hire purchase payments:

- not later than 12 months	36,131	94,510
- later than 12 months but not later than 2 years	7,043	43,174
- later than 2 years	-	-
	<b>43,174</b>	<b>137,684</b>

Hire purchase assets remain the property of the financier until the end of the term of finance arrangement at which point ownership of the asset transfers to the entity.

As at 30 June 2016, seven HP agreements remain current (2015: seven). These have original terms ranging from 36 – 48 months. Six of the remaining seven agreements will be completed within the first five months of FY2017. Annual percentage borrowing rates range from 6.05% - 9.85% (2015: 6.05% - 9.85%). The overall weighted-average borrowing rate is 6.61% (2015: 6.71%).

# Bellarine Bayside Foreshore Committee of Management Inc.

ABN 12 722 496 556

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### NOTE 13: EMPLOYEE ENTITLEMENTS

	2016	2015
	\$	\$
<b>CURRENT</b>		
Provision for employee entitlements: annual leave	111,413	118,691
Provision for employee entitlements: long service leave	104,377	102,718
	<u>215,790</u>	<u>221,409</u>
<b>NON-CURRENT</b>		
Provision for employee entitlements: long service leave	48,611	25,680
	<u>48,611</u>	<u>25,680</u>
	<b><u>264,401</u></b>	<b><u>247,089</u></b>

### ANALYSIS OF TOTAL EMPLOYEE ENTITLEMENT PROVISIONS

	Employee Benefits
	\$
Opening balance at 1 July 2015	247,089
Additional provisions raised during year	162,868
Amounts used	<u>(145,556)</u>
Balance at 30 June 2016	<u>264,401</u>

### NOTE 13: PROVISIONS

#### Provision for Employee Entitlements

Provision for employee entitlements represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the entity does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the entity does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1.2 (f).

# Bellarine Bayside Foreshore Committee of Management Inc.

ABN 12 722 496 556

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### NOTE 14: LEASING COMMITMENTS

	2016	2015
	\$	\$
<b>a. Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not recognised in the financial statements		
Payable – minimum lease payments:		
– not later than 12 months	34,262	61,109
– later than 12 months but not later than 2 years	21,028	25,420
– later than 2 years	5,843	12,234
	<u>61,133</u>	<u>98,763</u>

The motor vehicle lease commitments are non-cancellable finance leases contracted for with a two or three-year term. No capital commitments exist in regards to the lease commitments at year-end. Lease commitments are fixed for the term of the lease. The leases have effective yields between 1.93% and 2.41% and are secured by the underlying motor vehicles.

### NOTE 15: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	2016	2015
	\$	\$
Estimates of the potential financial effect of contingent liabilities that may become payable:	-	40,000
As at the date of this report, there are no known matters for which contingencies, liabilities or assets, are requiring of disclosure in this report.		

### NOTE 16: EVENTS AFTER THE REPORTING PERIOD

The committee is not aware of any significant events occurring since the end of the reporting period.

### NOTE 17: KEY MANAGEMENT PERSONNEL COMPENSATION

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any committee member (whether executive or otherwise) of that entity is considered key management personnel.

The totals of remuneration paid to key management personnel (KMP) of the entity during the year are as follows:

	2016	2015
	\$	\$
Key management personnel compensation	<u>416,078</u>	<u>350,234</u>

# Bellarine Bayside Foreshore Committee of Management Inc.

ABN 12 722 496 556

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### NOTE 18: OTHER RELATED PARTY TRANSACTIONS

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

There were no transactions between the entity and related parties during the year ended 30 June 2016.

### NOTE 19: FINANCIAL RISK MANAGEMENT

The entity's financial instruments consist of deposits with banks, trade-accounts receivable and payable, and hire purchase loans.

The carrying amounts for each category of financial instruments, measured in accordance with AASB139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2016 \$	2015 \$
<b>Financial assets</b>			
Cash and cash equivalents	4	928,679	1,832,739
Trade receivables	5	78,513	80,096
Financial assets—held-to-maturity investments > 3 & < 12 mths to maturity	6	1,900,000	-
<b>Total financial assets</b>		<u>2,907,192</u>	<u>1,912,835</u>
<b>Financial liabilities</b>			
Financial liabilities at amortised cost:			
— trade and other payables	10	140,433	57,697
— borrowings	12	43,174	137,684
<b>Total financial liabilities</b>		<u>183,607</u>	<u>195,381</u>



**Bellarine Bayside Foreshore Committee of Management Inc.**

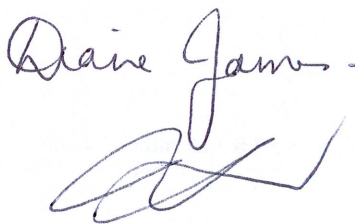
**ABN 12 722 496 556**

**COMMITTEE MEMBERS' DECLARATION**


In accordance with a resolution of the Bellarine Bayside Foreshore Committee of Management Inc., the committee members of the entity declare that:

1. The financial statements and notes, as set out on pages 7 to 31:
  - a. comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
  - b. give a true and fair view of the financial position of the entity as at 30 June 2016 and of its performance for the year ended on that date.
2. In the committee members' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

For and on behalf of the committee:

A handwritten signature in blue ink, appearing to read 'Diane James'.

Diane James AM - Chair

A handwritten signature in blue ink, appearing to read 'Therese Cotter'.

Therese Cotter – Deputy Chair

Dated this 5th day of August 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
BELLARINE BAYSIDE FORESHORE COMMITTEE OF MANAGEMENT INC.

**Report on the Financial Report**

We have audited the accompanying financial report of Bellarine Bayside Foreshore Committee of Management Inc. (the entity), which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the committee members' declaration.

*Committee Members' Responsibility for the Financial Report*

The committee of management of the entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and for such internal control as the committee determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

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

*Independence*

In conducting our audit, we have complied with the independence requirements in line with the applicable code of professional conduct. We confirm that the independence declaration, which has been given to the committee of management of Bellarine Bayside Foreshore Committee of Management Inc., would be in the same terms if given to the committee as at the time of this auditor's report.

*Opinion*

In our opinion, the financial report of Bellarine Bayside Foreshore Committee of Management Inc.:

- (i) gives a true and fair view of the entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (ii) complies with Australian Accounting Standards – Reduced Disclosure Requirements.



**LBW CHARTERED ACCOUNTANTS**

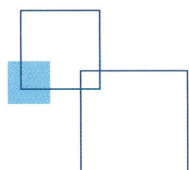


**SRIPATHY SARMA**  
Principal

Dated this 05<sup>th</sup>

day of August

2016



**GEELONG**  
35-37 Gordon Avenue  
Geelong West 3218  
T: 5221 6111  
F: 5223 1966

**MELBOURNE**  
Level 3,  
365 Lt Collins Street  
Melbourne 3000  
T: 9670 4444  
F: 5223 1966

**COLAC**  
7 Bromfield Street  
Colac 3250  
T: 5231 5999  
F: 5223 1966

**EMAIL**  
lbw@lbwca.com.au  
**WEB**  
www.lbwca.com.au