

LORD SOMERS CAMP AND POWER HOUSE
ABN 96 004 505 373

DIRECTORS' REPORT

The Directors present their report together with the Financial Reports of Lord Somers Camp and Power House (the Association) for the year ended 30 June 2014.

Directors

The names of the Board Members at the date of this report and the number of meetings of Directors held during the year and the numbers of meetings attended by each Director were as follows:

Board		Year of	Member	Meetings	Eligible
Member	Occupation	Appointment	Since	Attended	to Attend
Malcolm Cater	School Principal	2012	1981	8	9
Jane Harrison	Secondary School Teacher	2010	1987	7	9
John Hutchinson	Energy Consultant	2008	1987	9	9
Daniel Proietto	Lawyer	2010	1996	7	9
Claire Sime	Business Consultant	2005	1999	8	9
Ross Boyce	Finance Director	2012	1991	6	9
Hannah Robert	Law Lecturer	2012	1993	5	8
Marnie Lassen	Conservation Professional	2014	1986	1	2

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit by reason of a contract made by the Association or a related corporation with the Director or with a firm of which a Director is a member, or with a company in which the Director has substantial financial interest.

No Director has been a former partner or director of the audit firm that is currently the Association's auditor, or was a partner or director at a time when the audit firm conducted the audit of the Association.

Company Secretary

Mr Allister Sime is the Company Secretary. Allister Sime is a professional taxation advisor.

Principal Activities

The principal activities of the Association, a not-for-profit charitable youth organisation, during the financial year were the conduct of youth leadership programs and community building programs and activities for disadvantaged community groups. There was no significant change in the nature of these activities during that period.

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DIRECTORS' REPORT (continued)

Review and Results of Operations

The Association's operating activities during the financial year resulted in a surplus of \$63,081 which compares with a deficit of \$325,959 for the previous year.

The Association generated positive operating cash flow of \$437,652 (versus positive operating cash flow of \$61,573 in 2013) and positive net cash flow of \$236,211 (versus positive net cash flow of \$19,641 in 2013).

State of Affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Association that occurred since 30 June 2013 not otherwise disclosed in this report.

Environmental Regulation

The Association's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. The Board believes that adequate systems are in place for management of its environmental requirements.

Events Subsequent to Balance Date

There has been no event, item or transaction between the end of the financial year and the date of this report of a material and unusual nature likely, in the opinion of the Directors, to have a significant effect on the Association's operations, results or state of affairs in future years.

Directors' Remuneration

All Directors act in an honorary capacity and consequently no payments were made or entitlements arose for their service during the year.

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DIRECTORS' REPORT (continued)

Indemnification and Insurance of Officers and Auditors


The Association has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the Association: indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

During the financial year, the Association paid a premium of \$2,009 to insure Directors and Officers against liabilities for costs and expenses incurred by them in successfully defending any legal proceedings arising out of their conduct while acting in the capacity of Director or Officer of the Association, other than conduct involving a wilful breach of duty in relation to the Association.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4.

This report is signed for and on behalf of the Directors.



Malcolm Cater
Director and President & Camp Chief



Ross Boyce
Director & Chair of the Finance
Committee

29 September 2014

Melbourne



AUDITOR INDEPENDENCE DECLARATION

LORD SOMERS CAMP AND POWER HOUSE

To: The Board of Directors

This declaration is made in connection with my audit of the financial report of Lord Somers Camp and Power House for the financial year ended 30 June 2014 and in accordance with provisions of the Corporations Act 2001.

I declare that, to the best of my belief, there have been:

- No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit;
- No contraventions of the Code of Professional Conduct of the Institute of Chartered Accountants in Australia in relation to the audit.

Yours faithfully

DAVID H SCOTT

Registered Company Auditor no. 8328

16 September 2014

Principal – David H. Scott F.C.A.

Liability Limited by a Scheme Approved Under Professional Standards Legislation

LORD SOMERS CAMP AND POWER HOUSE
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These financial statements are the financial statements of the individual entity Lord Somers Camp and Power House. The financial statements are presented in Australian currency.

Lord Somers Camp and Power House is a company limited by guarantee, incorporated and domiciled in Australia. Its principal place of business is:

Lord Somers Camp and Power House
34 Lakeside Drive
Albert Park VIC 3206

A description of the nature of the entity's operations and its principal activities is included in the Directors' Report on pages 1 to 3.

The financial statements were authorised for issue by the directors on 29 September 2014. The Directors have the power to amend and reissue the financial statements.

LORD SOMERS CAMP AND POWER HOUSE
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Notes	30 June 2014 \$	30 June 2013 \$
Revenue from continuing operations			
Programs and activities		397,731	318,754
Hire of camp		611,903	602,722
Hire of clubhouse		206,964	207,824
Donations income		335,961	250,969
		1,552,559	1,380,269
Other income	2	46,030	55,025
Variable expenses			
Somers variable expenses		190,600	182,656
Camps variable expenses		122,844	118,962
Functions and activities		52,132	33,775
Total variable expenses		365,576	335,393
Operating expenses			
	3		
Somers operating expenses		458,394	381,218
Albert Park		154,926	118,818
Administration Expenses		556,612	634,765
Fringe benefits tax		-	291,059
Total operating expenses		1,169,932	1,425,860
Profit from continuing operations for the period		63,081	(325,959)
Other comprehensive income		-	-
Total comprehensive income for the period		63,081	(325,959)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

LORD SOMERS CAMP AND POWER HOUSE
ABN 96 004 505 373

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Notes	30 June 2014 \$	30 June 2013 \$
Current assets			
Cash and cash equivalents	4	707,826	471,615
Trade and other receivables	5	43,522	59,806
Total current assets		<u>751,348</u>	<u>531,421</u>
Non-current assets			
Other financial assets	6	6,463	12,080
Property, plant and equipment	7	1,824,995	1,747,488
Total non-current assets		<u>1,831,458</u>	<u>1,759,568</u>
Total assets		<u>2,582,806</u>	<u>2,290,989</u>
Current liabilities			
Trade and other payables	8	565,908	286,781
Provision for FBT liability	9	57,800	55,200
Provisions for employee entitlements	10	37,628	21,486
Total current liabilities		<u>661,336</u>	<u>363,467</u>
Non-current liabilities			
Provision for FBT liability	9	173,259	231,259
Provisions for employee entitlements	10	10,440	21,573
Total non-current liabilities		<u>183,699</u>	<u>252,832</u>
Total liabilities		<u>845,035</u>	<u>616,299</u>
Net assets		<u>1,737,771</u>	<u>1,674,690</u>
Members' funds			
General fund (retained surplus)	11	1,737,771	1,674,690
Total members' funds		<u>1,737,771</u>	<u>1,674,690</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

LORD SOMERS CAMP AND POWER HOUSE
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Notes	General fund (retained surplus) \$	Total \$
Balance 30 June 2012		<u>2,000,649</u>	<u>2,000,649</u>
Profit from continuing operations for the period		(325,959)	(325,959)
Total comprehensive income for the financial year		<u>(325,959)</u>	<u>(325,959)</u>
Balance 30 June 2013		<u>1,674,690</u>	<u>1,674,690</u>
Profit from continuing operations for the period		63,081	63,081
Total comprehensive income for the financial year		<u>63,081</u>	<u>63,081</u>
Balance 30 June 2014		<u>1,737,771</u>	<u>1,737,771</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

LORD SOMERS CAMP AND POWER HOUSE
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	Notes	30 June 2014 \$	30 June 2013 \$
Cash flows from operating activities			
Receipts from donations		335,961	251,357
Receipts from programs, hire and activities		1,268,339	1,141,963
Payments to suppliers and employees		(1,177,220)	(1,342,002)
Interest received		10,572	10,255
Net cash inflow from operating activities		<u>437,652</u>	<u>61,573</u>
Cash flows from investing activities			
Payments for purchase of property, plant and equipment	7	(206,998)	(41,932)
Returns of capital from other financial assets		5,557	-
Net cash (outflow) from investing activities		<u>(201,441)</u>	<u>(41,932)</u>
Cash flows from financing activities			
Financing cash flows		-	-
Net cash inflow from financing activities		<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents		<u>236,211</u>	<u>19,641</u>
Cash and cash equivalents at beginning of period		<u>471,615</u>	<u>451,974</u>
Cash and cash equivalents at end of period		<u><u>707,826</u></u>	<u><u>471,615</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

LORD SOMERS CAMP AND POWER HOUSE
ABN 96 004 505 373

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
30 JUNE 2014

1 Summary of Significant Accounting Policies

a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Lord Somers Camp And Power House is a not-for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with Australian Accounting Standards – Reduced Disclosure Requirements

The consolidated financial statements of Lord Somers Camp And Power House comply with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

(ii) New and amended standards adopted by the group

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2013 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

(iii) Early adoption of standards

The entity has not elected to early adopt any standards for the reporting period ended 30 June 2014.

b) Cash and cash equivalents

Further to the Statement of Cash Flows, cash includes deposits at call with financial institutions and other highly liquid investments with short periods to maturity, which is readily convertible to cash on hand and are subject to an insignificant risk of change in value.

c) Receivables

Receivables are carried at measured amortised cost using the effective interest method. Collectability of debts is assessed periodically and amounts considered uncollectible are written off.

d) Inventories

Inventories are measured at the lower of cost and realisable value.

e) Depreciation

Depreciation is calculated over the expected useful economic life of the asset. The gain or loss on disposal of all fixed assets is determined as the difference between the carrying amount of the asset at the time of the disposal and the proceeds of the disposal and is included in the results of the Association in the year of the disposal.

1 Summary of Significant Accounting Policies (continued)

LORD SOMERS CAMP AND POWER HOUSE
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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
30 JUNE 2014

e) Depreciation (continued)

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost over their estimated useful lives as follows:

Depreciation rates used are:

	Straight- Line
Motor Vehicles	15%
Equipment	5 - 20%
Leasehold Improvements	4 - 10%
Buildings	2 - 5%

f) Payables

Creditors are initially recognised at fair value, and then subsequently carried at amortised cost. This amount represents liabilities for goods and services provided to the Association prior to the end of financial year that are unpaid, and arise when the Association becomes obliged to make future payments in respect of the purchase of these goods and services. Accruals have been made where goods and services have been received but where invoices were not received at balance date.

g) Income received in advance

Income and expenditure for all events are reported on an accruals basis of accounting in the year in which the events are held.

h) Leases

Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Lease payments for operating leases are charged as expenses in the periods in which they are incurred.

i) Income Tax

The Association is a not-for-profit charitable institution. The Australian Taxation Office has granted an exemption from Income Tax under Sub-division 50-B of the Income Tax Assessment Act 1997.

j) Employee Entitlements

Provision is made in respect of the Association's liability for all annual leave and long service leave for staff to the reporting date in accordance with Accounting Standards.

**LORD SOMERS CAMP AND POWER HOUSE
ABN 96 004 505 373**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
30 JUNE 2014**

1 Summary of Significant Accounting Policies (continued)

k) Donations and Grants

Donations and grants are recognised as income in the reporting period in which the Association gains control over the underlying assets.

For donations and grants where there are performance obligations, the Association is deemed to have assumed control when it has satisfied those obligations under the terms of the donation or grant agreement.

For donations and grants where there are no documented obligations, the Association is deemed to have assumed control when the donation or grant is receivable or received.

l) Revenue from Programs and Activities and Camp Hire

Income from Programs and Activities and Camp Hire is recognised when the services are provided and it is probable that the economic benefit associated with the transaction will flow to the Association.

m) Interest

Interest includes interest received on deposits and other investments. Interest income is recognised using the effective interest method which allocates the interest over the relevant period.

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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
30 JUNE 2014

2	Other income	30 June 2014	30 June 2013
		\$	\$
	Interest income	10,572	10,255
	Subscriptions	13,173	21,459
	Rent	12,120	12,120
	Other	10,165	11,190
	Total other income	46,030	55,024
3	Expenses	30 June 2014	30 June 2013
	Operating profit includes the following specific expenses:	\$	\$
	<i>Depreciation</i>		
	Building at Somers	64,070	61,769
	Equipment at Somers	24,063	22,990
	Improvements at Albert Park	17,339	12,571
	Equipment at Albert Park	24,017	23,614
	Total depreciation	129,489	120,944
	Employee benefits expense	596,931	680,065
4	Cash and cash equivalents	30 June 2014	30 June 2013
		\$	\$
	Cash and cash equivalents	315	181
	Cash at bank	706,633	31,964
	Bank deposits at call	878	439,470
		707,826	471,615
5	Trade and other receivables	30 June 2014	30 June 2013
		\$	\$
	Debtors	26,901	43,260
	Prepayments	16,621	16,546
		43,522	59,806
6	Other Financial Assets	30 June 2014	30 June 2013
		\$	\$
	Investment in Term Fund	6,463	12,080

LORD SOMERS CAMP AND POWER HOUSE
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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
30 JUNE 2014

7 Property, Plant & Equipment

Non-Current	Capital Works in Progress	Land at Somers	Buildings at Somers	Equipment at Somers	Leasehold Improvements at Albert Park	Equipment at Albert Park	Total
		\$	\$	\$	\$	\$	\$
At 30 June 2013							
Cost	17,934	114,519	2,166,024	190,924	184,553	134,190	2,808,144
Accumulated depreciation	-	-	(758,759)	(133,777)	(95,368)	(72,752)	(1,060,656)
Net book amount	17,934	114,519	1,407,265	57,147	89,185	61,438	1,747,488
Year ended 30 June 2014							
Opening net book amount	17,934	114,519	1,407,265	57,147	89,185	61,438	1,747,488
Additions	117,786	-	-	40,746	43,635	4,829	206,996
Transfers	(59,758)	-	57,445	2,313	-	-	-
Depreciation charge	-	-	(64,070)	(24,063)	(17,339)	(24,017)	(129,489)
Closing net book amount	75,962	114,519	1,400,640	76,143	115,481	42,250	1,824,995
At 30 June 2014							
Cost	75,962	114,519	2,223,469	233,983	228,188	139,019	3,015,140
Accumulated depreciation	-	-	(822,829)	(157,840)	(112,707)	(96,769)	(1,190,145)
Net book amount	75,962	114,519	1,400,640	76,143	115,481	42,250	1,824,995

LORD SOMERS CAMP AND POWER HOUSE
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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
30 JUNE 2014

8 Trade and other payables

	30 June 2014	30 June 2013
	\$	\$
Trade creditors	37,612	58,093
GST	12,388	14,378
Tenancy bonds	42,918	21,805
Deferred grant income	443,619	184,791
Income received in advance	29,371	7,712
	<u>565,908</u>	<u>286,781</u>

9 FBT liability

	30 June 2014	30 June 2013
	\$	\$
FBT provision – current	57,800	55,200
FBT provision – Non current	173,259	231,259
	<u>231,059</u>	<u>286,459</u>

As part of a review initiated by the Association, an FBT liability was raised and expensed during the 30 June 2013 financial year. A five year monthly payment plan was agreed with the ATO, with payments commencing during 2013.

10 Employee entitlements

	30 June 2014	30 June 2013
	\$	\$
<i>Current</i>		
Annual Leave	30,149	21,486
Long Service Leave	7,479	-
Total Current	<u>37,628</u>	<u>21,486</u>
<i>Non-Current</i>		
Long Service Leave	10,440	21,573
Total employee entitlements	<u>48,068</u>	<u>43,059</u>

(a) Movements in provisions

	Annual leave \$	Long service leave \$	Total \$
Carrying amount at the beginning of the period	21,486	21,573	43,059
Charged/(credited) to profit or loss	8,663	(3,654)	5,009
Amounts used during the year	-	-	-
Carrying amounts at the end of the period	<u>30,149</u>	<u>17,919</u>	<u>48,068</u>

11 General funds (retained surplus)

	30 June 2014	30 June 2013
	\$	\$
Retained surplus at beginning of the period	1,674,690	2,000,649
Net surplus/(deficit) from ordinary activities	63,081	(325,959)
	<u>1,737,771</u>	<u>1,674,690</u>

LORD SOMERS CAMP AND POWER HOUSE
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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
30 JUNE 2014

12 Operating lease commitments

The Association entered a twenty-one year lease on the Power House building at Albert Park Reserve with Parks Victoria that commenced on 11 February 2000. The future commitment in respect of this lease is as follows.

	30 June 2014	30 June 2013
	\$	\$
Not later than one year	38,400	37,102
Later than one year but not later than five years	158,344	148,408
Later than five years	48,500	97,176
	<u>245,244</u>	<u>282,686</u>

13 Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

	30 June 2014	30 June 2013
	\$	\$
Property, plant and equipment	296,000	-

14 Contingent liabilities

There are no contingent liabilities at balance date.

15 Limitation of Members' liability

In accordance with the Constitution the liability of members in the event of the Association being wound up would not exceed \$20.00 per member.

16 Events subsequent to balance date

No events have occurred subsequent to balance date.

**LORD SOMERS CAMP AND POWER HOUSE
ABN 96 004 505 373**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014**

DIRECTORS' DECLARATION

The Directors of the Lord Somers Camp and Power House (the Association) declare that:

- 1) the accompanying financial statements comprising the Statement of Comprehensive Income, Statement of Financial position, Statement of Changes in Equity, Statement of Cash Flows and Notes, as set out on pages 4 to 15 are in accordance with Corporations Act and:
 - a) comply with Australian Accounting Standards, and the Corporations Regulations 2001; and
 - b) give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the Association
- 2) In the Directors' opinion, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



Malcolm Cater
Director and President & Camp Chief



Ross Boyce
Director & Chair of the
Finance Committee

29 September 2014

Melbourne



INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
LORD SOMERS CAMP AND POWER HOUSE

I have audited the accompanying financial report of Lord Somers Camp and Power House ("the association"), which comprises the statement of financial position as at 30 June 2014, and the statement of comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows for the year ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration at the end of the financial year.

Directors' Responsibility for the Financial Report

The directors of the association 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 the Corporations Act 2001 and for such internal control as the directors determine 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

My responsibility is to express an opinion on the financial report based on my audit. I conducted the audit in accordance with Australian Auditing Standards. These Auditing Standards require that I 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 and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Principal – David H. Scott F.C.A.
Liability Limited by a Scheme Approved Under Professional Standards Legislation



I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have complied with the independence requirements of the *Corporations Act 2001*. I confirm that the independence declaration required by the *Corporation Act 2001*, which has been given to the directors of Lord Somers Camp and Power House, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In my opinion the financial report of Lord Somers Camp and Power House is in accordance with the *Corporations Act 2001*, including:

- a) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- b) Complying with Australian Accounting Standards – Reduced Disclosure Requirement and the *Corporations Regulations 2001*.

SCOTT PARTNERS CONSULTING

Chartered Accountants

DAVID H SCOTT

Principal

Registered Company Auditor No. 8328

16 September 2014
Brighton East, Victoria

Principal – David H. Scott F.C.A.
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