



**LEEWIN**  
Ocean Adventure Foundation



## ANNUAL REPORT 2017-18







Mark Small

## Chairman's Report

Like other local companies and fellow not for profits, Leeuwin Ocean Adventure Foundation is intrinsically linked to Western Australia's economic fortunes and individuals', corporations' and governments' capacity to support the life changing youth development programs we have delivered for over thirty years.

Leeuwin Ocean Adventure continues to enjoy corporate support from its major sponsor Woodside Energy along with ongoing sponsorship of voyage programs from CBH and AngloGoldAshanti, Local Government and Service Organisations. The State Government's ongoing funding of Leeuwin Ocean Adventure's volunteer program enables Leeuwin to provide development opportunities for our large number of youth volunteers along with ongoing voyage participation.

Evidence suggests that Western Australia is at the beginning of a recovery phase for the first time in more than four years, which we trust will see the return of increases in voyage participation and ongoing engagement in our programs.

The Foundation continued to achieve:

1. *Operational Excellence – achievement of safety and compliance and asset management targets;*
2. *Positive Participant Voyage and Post-voyage Experience – consistently high participant satisfaction with the experiences and activities delivered;*
3. *Team and Community Alignment – a focus on community engagement through schools, service clubs and local government delivering new programs and opportunities for youth engagement with Leeuwin Ocean Adventure.*

The fourth strategic pillar, Financial Sustainability has been difficult to achieve with low asset utilisation (voyage occupancy) and the substantial cost of successive large refit and maintenance periods reducing Leeuwin Ocean Adventure's cash reserves. New voyage and non-voyage products aimed at increasing utilisation of the Leeuwin Ocean Adventure's core asset - STS Leeuwin II – and a commitment to community engagement remain key to rebuilding cash reserves.

With the vessel in excellent condition, highly committed and skilled staff at all levels of the organisation and a Board focused on providing not only strong governance but strong support for the future there is, as there always has been throughout Leeuwin Ocean Adventure's 32-year history, a determination to continue to provide young Western Australians with this unique, life-changing experience for years to come.

Mark Small  
Leeuwin Chairman of the Board

## Who are we?

Leeuwin Ocean Adventure aims to enrich the lives of young people through adventure, participation and challenge.

Leeuwin Ocean Adventure is a trusted not-for-profit organisation based in Fremantle. Since 1986, we have welcomed more than 40,000 young people onboard the STS Leeuwin II.

Leeuwin is funded through the sale of voyages, a combination of grants, corporate sponsorships and donations by organisations and the general public.





Carol Shannon

## CEO's Report

### Looking back

This year we started to see the change in how we work within the community to provide young people with an amazing adventure, an adventure with purpose.

A Leeuwin voyage pushes voyage participants outside their comfort zones and we aim to ensure each young person is supported and encouraged to squeeze the absolute most from their experience to yield maximum personal benefit. Sail-training is intense and we rely heavily upon the outstanding skills of crew and volunteers to make a difference to the lives of our voyage trainees – and they do.

Post-voyage research supports that our objectives are being achieved. We ask voyage participants to assess if they felt confident or very confident against a range of criteria before their voyage – and how they felt post-voyage:

	Pre	Post
Working cooperatively with others to achieve a common goal	71%	96%
Understanding someone else's point of view	71%	96%
Meeting new people	56%	92%
Dealing with conflict in a group	51%	82%
Taking on a leadership role	48%	82%
Making decisions	53%	86%

We know we are delivering great outcomes for young people. Post-voyage and with support from the State Government, Leeuwin Ocean Adventure's youth volunteering program continues to support young peoples' growth, learning and development. When asked via survey to what extent did their volunteering experience at Leeuwin Ocean Adventure meet their expectations, our youth volunteer responses were clear: On Average: 89% Median: 100% Mode: 100%

Our new community and education engagement strategies demonstrate the value of Leeuwin, providing young people with skills which align with the Core Skills for Work and Employability Skills Frameworks; units towards their WA Certificate of Education; and entries onto their WA Statement of Student Achievement. We have built on our association with the Duke of Edinburgh International Awards and continue to build our profile with universities.

Leeuwin Ocean Adventure has introduced new ways to use the vessel for learning and development – including alongside programs "Dockside Desks" and "Dockside Camps". The ship is a unique learning platform and it is being used in ways that align with its core objectives while opening opportunities to broader community sectors.

We cannot do what we do without the invaluable support of our major corporate sponsor Woodside and the diverse organisations sponsoring voyage participants, partnering with us during our refit and maintenance periods and coming on board for our fundraising events. From everyone at Leeuwin, an enormous thank you to all of these organisations.

The Sail Training Ship Leeuwin II is a Western Australian community asset, owned and managed by the Leeuwin Ocean Adventure Foundation and able to provide its unique brand of life-change experiences to young people because of our broad base of support.

### Looking forward

Leeuwin Ocean Adventure's staff, ship and shore, give so much more to this organisation than is required of them. Each individual demonstrates a strong commitment to Leeuwin's organisational values and understands the difference we make as a team each day to the lives of young people.

It is only because of their commitment are we able to maintain an agenda of new product development and diversification, funding diversification and optimising ship utilisation as key strategies into 2018-19.

The ship is in excellent condition and a commitment to rigorous planned maintenance routines over many years is paying dividends now. While the STS Leeuwin II will remain serviceable for a number of years, Leeuwin is keenly aware of the impact of increasing costs of maintenance on its financial position. Securing adequate funding to ensure we maintain these high standards will continue to challenge Leeuwin Ocean Adventure in the foreseeable future.

Carol Shannon  
Leeuwin CEO











**SPECIAL PURPOSE FINANCIAL REPORT**  
**For the Year Ended 30 June 2018**

## Directors' Report

Your directors submit their report for the period ended 30 June 2018.

### Directors

The names and details of the company's directors in office during the financial year and until the date of this report are as follows. Directors were in office from the beginning of the financial year until the date of this report, unless otherwise stated.

Name	Experience	Special Responsibilities	Shares in Company or Related Company
Mr Mark Small	Company Director	Chair	Nil
Mr Matthew Crellin	Company Director	Deputy Chair	Nil
Ms Anna Sudlow	Chief Financial Officer	Chair – Finance and Risk	Nil
Mr Mark Gooderham	General Manager	Nil	Nil
Ms Jennifer Lawrence	Chief Executive Officer	Nil	Nil
Ms Kellie Lewis - resigned 13.10.17	Chief Executive Officer	Nil	Nil
Ms Clare Wood	Company Secretary	Nil	Nil
Ms Erin Bourne	Company Director	Nil	Nil
Ms Angela Bond	Senior Manager	Nil	Nil

Since the date of the last report no director has had any interest whether directly or indirectly in a contract or proposed contract with the company. No director of the company has received or become entitled to receive, since the end of the previous financial year, a benefit by reason of a contract made by the company or a related corporation with the director or with a firm in which any director has a substantial interest.

### Principal activities

The principal activities of the company in the course of the financial year consisted of youth development through the medium of a tall sailing ship.

### Operating result for the twelve months to 30 June 2018

The current results are for the twelve month period up to 30 June 2018. Revenue from operations was \$1,358,795 (last period \$1,304,705). Expenses were \$2,335,276 (last period \$2,302,798).

Other income (including capital grants) was \$452,078, last year \$419,231.

The current ratio is reported in the notes as 2.9 times coverage of current liabilities. This is based on current assets of \$1,711,529 including cash of \$1,528,242.

It has been noted that the current reserve of \$1,000,000 is inadequate to cover potential ship replacement in 20 years' time. The working capital cover ratio also does not include provision for ship replacement and it is apparent that operational revenue will not be feasible source of funding. A separate project to address new vessel construction is to be considered.

### Three year review of progress

The loss is significantly greater than it was in 2016 and similar to that recorded in 2017. Revenue from services has been fairly consistent over the last three years as has expenditure. Other Income has varied considerably with an amount of \$692,383 recorded 2016 which included a bequest of \$285,217.

Cash reserves are now at 65% of the level that they were in 2016. This is mostly due to having large refit and maintenance periods in both the 2017 and 2018 financial years with considerable capital expenditure. Prior to this period a large refit was done every second year and there was typically good cash recovery in between. The 2019 financial year refit however will also have an adverse effect on cash reserves.

### Significant events after the balance date

The ship is alongside in Fremantle from July to September 2018 undergoing its annual winter refit program with budgeted expenditure to be in the order of \$500,000. Actual expenditure is now expected to be \$440,000. The majority of this expenditure will be on the dry docking of the ship and installation of engine mounts.



# Leeuwin Ocean Adventure Foundation Limited

## Likely developments and expected results

A review of the strategic marketing and operational model has resulted in a strong focus on formal educational outcomes for voyage participants. As an endorsed program through the School Curriculum and Standards Authority there are tangible benefits for students. Beyond secondary education, Leeuwin Ocean Adventure is re-engaging the tertiary sector and building opportunities for students through volunteering beyond voyage participation.

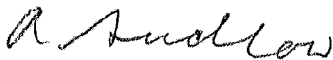
Budgeted expectations are for 21 short sails, 16 public voyages and 6 charter voyages for the twelve months to 30 June 2019. As at 30 June 2018 bookings made in advance were almost \$53,000 less than at 30 June 2017. The difference is largely due to a charter not being secured for early in the new financial year.

Sponsorships and donations will continue to provide funds to enable access to the company's youth program to a broad section of young and disadvantaged trainees. In-kind and financial support from suppliers has been an area of significant growth over the last two years, softening the impact of refit and maintenance costs.

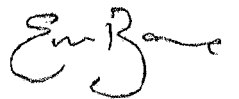
The company's current contract with Woodside will continue until 2019. The contract with the Department of Communities is due to continue to June 2020.

Signed in accordance with a resolution of the directors.

For and on behalf of the board:



Director  
Fremantle, 28 / 11 2018



Director  
Fremantle, 28 / 11 2018



## Statement of Profit or Loss and Other Comprehensive Income

FOR THE PERIOD ENDED 30 June 2018	Notes	Jun 2018 \$	Jun 2017 \$
Revenue			
Sales of goods		25,923	30,092
Rendering of services		1,301,019	1,240,704
Finance revenue		25,388	33,909
Change in inventories		6,465	-
	3	<u>1,358,795</u>	<u>1,304,705</u>
Other Income			
Other income	3	<u>452,079</u>	<u>377,095</u>
Total Revenue		<u>1,810,874</u>	<u>1,681,800</u>
Expenditure			
Change in inventories		-	(305)
Employee benefits expense		(1,243,773)	(1,191,172)
Other expenses	4	<u>(724,455)</u>	<u>(729,622)</u>
Total Expenditure		<u>(1,968,228)</u>	<u>(1,921,099)</u>
Operating profit before depreciation and amortisation		<u>(157,354)</u>	<u>(239,299)</u>
Less depreciation and amortisation	4&8	<u>(353,055)</u>	<u>(346,610)</u>
Profit after depreciation and amortisation		<u>(510,409)</u>	<u>(585,909)</u>
Capital Grants		-	42,136
Loss on Disposal of asset		<u>(13,993)</u>	<u>(35,089)</u>
Total comprehensive income		<u>(524,402)</u>	<u>(578,861)</u>



## Statement of Financial Position

AS AT 30 JUNE 2018	Notes	2018 \$	2017 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	1,528,242	1,804,760
Trade and other receivables	6	129,973	72,122
Inventories	7	15,411	21,876
Prepayments		37,903	157,259
Total Current Assets		1,711,529	2,056,018
Non-Current Assets			
Plant and equipment	8	3,175,415	3,334,654
Total Non-Current Assets		3,175,415	3,334,654
TOTAL ASSETS		4,886,944	5,390,672
LIABILITIES			
Current Liabilities			
Trade and other payables	9	476,758	494,429
Provisions	11	110,867	71,712
Total Current Liabilities		587,625	566,142
Non-Current Liabilities			
Provisions	11	11,644	12,453
Total Non-Current Liabilities		11,664	12,453
TOTAL LIABILITIES		599,269	578,595
NET ASSETS		4,287,675	4,812,077
EQUITY			
Retained earnings		3,287,675	3,812,077
Reserves	15	1,000,000	1,000,000
TOTAL EQUITY		4,287,675	4,812,077



## Statement of Cash Flows

FOR THE PERIOD ENDED 30 JUNE 2018	Notes	2018 \$	2017 \$
Cash flows from operating activities			
Receipts from customers		1,299,194	1,111,137
Payments to suppliers and employees		(1,845,370)	(1,962,856)
Grants, sponsorship and donations received		452,079	419,231
Interest received		25,388	33,910
Net cash from operating activities	5	(68,709)	(398,578)
Cash flows used in investing activities			
Proceeds from sale of plant and equipment	5	-	-
Payments for plant and equipment	8	(207,809)	(172,342)
Net cash used in investing activities		(207,809)	(172,342)
Cash flows from financing activities			
Net cash (used in)/ from financing activities		-	-
Net increase (decrease) in cash and cash equivalents		(276,518)	(570,920)
Cash and cash equivalents at the beginning of the financial year		1,804,759	2,375,679
Cash and cash equivalents at the end of the financial year	5	1,528,242	1,804,759

## Statement of Changes in Equity

FOR THE PERIOD ENDED 30 JUNE 2018	Retained Earnings \$	Reserves	Total
At 1 July 2016	4,390,938	1,000,000	5,390,938
Total comprehensive income for the year	(578,861)	-	(578,861)
At 30 June 2017	3,812,077	1,000,000	4,812,077
At 1 July 2017	3,812,077	1,000,000	4,812,077
Total comprehensive income for the year	(524,402)	-	(524,402)
At 30 June 2018	3,287,675	1,000,000	4,287,675



## Notes to the Financial Statements

FOR THE PERIOD ENDED 30 JUNE 2018

### 1. CORPORATE INFORMATION

The financial report of Leeuwin Ocean Adventure Foundation Limited (the company) for the period ended 30 June 2018 was authorised for issue in accordance with a resolution of the directors on the date of signing of the Directors' Report.

The registered office of Leeuwin Ocean Adventure Foundation Limited is located at:

'B' Berth Victoria Quay  
Fremantle, Western Australia 6160

The principal activities during the year of the company were youth development through the medium of a tall sailing ship.

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee.

The company is registered as a charity with the Australian Charities and Not-for-profits Commission.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of preparation

This special purpose financial report has been prepared for distribution to the members to fulfil the Directors' financial reporting requirements under the Corporations Act 2001 and the Australian Charities and Not-for-profits Commission Act 2012. The accounting policies used in the preparation of this financial report are, in the opinion of the Directors, appropriate to meet the needs of Members. The financial report has been prepared on an historical cost basis.

The requirements of Accounting Standards and other financial reporting requirements in Australia do not have mandatory applicability to Leeuwin Ocean Adventure Foundation Limited because it is not a "reporting entity". However, the Directors have determined that in order for the financial report to give a true and fair view of the company's performance, cash flows and financial position, the requirements of Accounting Standards and other financial reporting requirements in Australia relating to the measurement of assets, liabilities, revenue, expenses and equity, should be complied with.

The financial report is presented in the company functional currency which is Australian dollars.

#### (b) Going Concern

The Directors are of the opinion that at the date of signing the financial report, there are reasonable grounds to believe that the company can continue as a going concern.

i) Working capital ratio records coverage of current liabilities to current assets of 2.9 times (last year 3.6).

ii) Funding from organisations including the Department of Communities and Woodside Energy continues to provide Leeuwin Ocean Adventure with a solid base for its financial security and guaranteed income over the next year.

The ability of the company to continue as a going concern, including the ability to pay its debts as and when they fall due is dependent upon its ability to:

- generate sufficient operating revenue to sustain the current overhead costs; and
- obtain sufficient sponsorships, grants and donations.

(c) Statement of Compliance

The directors have prepared the financial report in accordance with the Corporations Act 2001, the Australian Charities and Not-for-profits Commission Act 2012 and the recognition and measurement requirements specified by all Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101 'Presentation of Financial Statements', AASB 107 'Cash Flow Statements', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1031 'Materiality', AASB 1048 'Interpretation of Standards' and AASB 1054 - Australian Additional Disclosures.

Compliance with AIFRS to the extent required by non-reporting entities does not result in the special purpose financial report comprising the financial statements and notes thereto, complying with International Financial Reporting Standards (IFRS) because IFRS do not exclude non-reporting entities from the scope of its standards. However, this special purpose financial report does comply with the measurement requirements of IFRS.

The company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards (the AASB) and the Urgent Issues Group that are relevant to its operations. The adoption of these new and revised Standards and the Interpretations did not have any effect on the financial position or performance of the company.

(d) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are included. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(e) Impairment of assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use, independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs.

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at the revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount.

That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value on a systematic basis over its remaining useful life.



(f) Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Plant and equipment 5 to 21 years  
Leasehold improvements 5 to 25 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

***Impairment***

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with a recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

Impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

(g) Leases

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

(h) Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

***(i) Rendering of services***

Revenue from services is recognised when the control of a right to be compensated for the services has been attained. This occurs upon provision of the agreed service. All revenues received prior to date of service are recognised as a liability for advanced bookings.

***(ii) Interest income***

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

***(iii) Sale of Goods***

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

***(iv) Donations pursuant to Deductible Gift Recipient tax status***

Donations are recognised as revenue on receipt of the income and funds are banked into a separate Public Fund bank account.

(i) Grants from Government and Other Organisations

When grant revenue is received whereby the company 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.

# Leeuwin Ocean Adventure Foundation Limited

(j) Employee entitlements

(i) **Wages, salaries, annual leave and sick leave**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) **Long service leave**

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

(k) Income tax

The company is exempt from the payment of income tax under the provisions of Section 50-45 of the Income Tax Assessment Act 1997.

(l) Borrowing costs

Borrowing costs are recognised as an expense when incurred.

(m) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(n) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand, and short term deposits with an original maturity of six months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(o) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence the company will not be able to collect the debts. Bad debts are written off when identified.

(p) Trade and other payables

Trade payables and other payables are carried at amortized costs and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.



(q) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognised as a borrowing cost.

# Leeuwin Ocean Adventure Foundation Limited

FOR THE PERIOD ENDED 30 JUNE 2018	Notes	2018 \$	2017 \$
3. REVENUE FROM CONTINUING OPERATIONS			
Sale of goods		25,923	30,091
Rendering of services		1,301,019	1,240,704
Finance revenue		25,388	33,909
Change in inventories		6,465	-
Total revenues		1,358,795	1,304,704
OTHER INCOME			
Donations and Sponsorships			
Dept. Local Government and Communities	3 (a)	207,643	196,816
Woodside Energy	3 (a)	77,321	70,026
Other Sponsorships		9,427	23,433
Deductible gift recipient donations		19,034	71,375
Other donations and fundraising		138,654	15,444
Total other income		452,079	377,095
Sub note 3 (a) – These revenues result from untied sponsorships and donations.			
Grants directly tied to scholarships and totalling \$206,832 were classed as ship operating income.			
The liability to the grantor for the unutilised funds is shown in the balance sheet as a current liability.			
		2018 \$	2017 \$
4. OTHER EXPENSES			
Depreciation of property, plant and equipment		343,955	337,521
Amortisation of leasehold improvements		9,100	9,089
Total depreciation and amortisation expenses		353,055	346,610
Cost of inventories sold		17,046	19,862
Ship repairs and maintenance		140,450	212,144
Victualling and accommodation expense		97,068	94,375
Ship operations and programming		125,718	128,203
Insurance expense		87,447	95,793
Promotional expenses		54,731	59,140
Other expenses		201,996	120,105
Total other expenses		724,455	729,622
5. CASH AND CASH EQUIVALENTS		2018	2017
Cash at bank and in hand		1,528,242	1,804,760
		1,528,242	1,804,760



# Leeuwin Ocean Adventure Foundation Limited

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one day and six months, depending on the immediate cash requirements of the company, and earn interest at the respective short term deposit rates.

Reconciliation of net profit (loss) after tax to net cash flows from operations

Net profit	(524,402)	(578,861)
<i>Adjustments for:</i>		
Depreciation	343,955	337,521
Amortisation	9,100	9,089
Loss on disposal of asset	13,993	35,089
<i>Changes in assets and liabilities</i>		
(Increase)/decrease in inventories	6,465	(305)
(Increase)/decrease in trade and other receivables	(57,851)	(62,970)
(Increase)/decrease in prepayments	119,356	(58,579)
(Decrease)/increase in trade and other payables	(47,773)	45,791
(Decrease)/increase in advance bookings	30,102	(96,688)
(Decrease)/increase in provisions	38,345	(28,664)
Net cash (used in)/from operating activities	(68,709)	(398,577)

6. TRADE AND OTHER RECEIVABLES	2018	2017
Trade debtors	57,075	66,263
Sundry debtors and accrued income	72,898	5,860
	129,973	72,122

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the company will not be able to collect the debts. Bad debts are written off when identified.

	2018	2017
7. INVENTORIES (CURRENT)	\$	\$
Finished goods (at net realisable value)	15,411	21,876
Total inventories at the lower of cost and net realisable value	15,411	21,876

## Leeuwin Ocean Adventure Foundation Limited

8. PLANT AND EQUIPMENT	Leasehold improvements	STS Leeuwin and Workshop	Office	Total
	\$	\$	\$	\$
Year ended 30 June 2018				
At 1 July 2017, Net of accumulated depreciation and impairment	88,687	3,225,920	20,047	3,334,654
Additions	806	202,746	4257	207,809
Disposals at written down value		(13,993)		(13,993)
Depreciation charge for the year	(9,100)	(337,530)	(6,426)	(353,055)
At 30 June 2018, Net of accumulated depreciation and impairment	80,394	3,077,143	17,878	3,175,415
At 1 July 2017				
Cost	274,750	6,338,782	164,476	6,778,008
Accumulated depreciation and impairment	(186,063)	(3,112,862)	(144,429)	(3,443,354)
Net carrying amount	88,687	3,225,920	20,047	3,334,654
At 30 June 2018				
Cost	275,556	6,483,623	168,733	6,927,912
Accumulated depreciation and impairment	(195,162)	(3,406,480)	(150,855)	(3,752,497)
Net carrying amount	80,394	3,077,143	17,878	3,175,415
			2018	2017
			\$	\$
9. TRADE AND OTHER PAYABLES (CURRENT)				
Trade payables			93,214	151,145
Advance bookings			116,078	168,857
Sponsorship grants received & not yet allocated			144,306	61,425
Sundry creditors and accrued expenses			123,159	113,002
			476,758	494,429



# Leeuwin Ocean Adventure Foundation Limited

Trade and other payables are carried at amortized costs and represent liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid and arise when the company becomes obliged to make future payments in respect of the purchase of these goods and services.

	2018	2017
	\$	\$
<b>10. COMMITMENTS AND CONTINGENCIES</b>		
Operating lease commitments – Company as lessee		
Future minimum rentals payable under non-cancellable operating leases as at 30 June 2018 are as follows:		
Within one year	22,646	22,361
After one year and not later than five years	3,774	27,951
	<u>26,420</u>	<u>50,312</u>
Lease with Fremantle Ports expires September 2019		
Life raft rental commitment – Company as lessee		
Future minimum rentals payable under life raft rental agreement as at 30 June 2018		
Within one year	10,910	10,910
After one year and not later than five years	43,640	-
	<u>54,550</u>	<u>10,910</u>
	2018	2017
	\$	\$
<b>11. EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS</b>		
Employee Entitlements		
The aggregate employee entitlement liability is comprised of:		
Provision for annual leave (current liability)	87,007	59,341
Provision for long service leave (current liability)	23,860	12,372
Total current provisions	<u>110,867</u>	<u>71,713</u>
Provision for long service leave (non-current)	11,644	12,453
Total non-current provisions	<u>11,644</u>	<u>12,453</u>

# Leeuwin Ocean Adventure Foundation Limited

## Superannuation Commitments

All employees are entitled to varying levels of benefits on retirement, disability or death. The superannuation plans provide accumulated benefits. Employees contribute to the plans at various percentages of their wages and salaries. The company also contributes to the plans. Contributions by the company of up to 9.5% of employees' wages and salaries are legally enforceable.

## 12. PUBLIC FUND

### Income and expenditure

Income	2018	2017
	\$	\$
Donations	18,784	71,375
Finance revenue	5,802	5,969
	<u>24,586</u>	<u>77,344</u>
Expenditure		
Drawdowns as per charter authorities	-	(30,625)
Fees and charges	(268)	(299)
	<u>(268)</u>	<u>(30,924)</u>
Net Surplus/Deficit	<u>24,318</u>	<u>46,420</u>

### Cash flow reconciliation

Opening balance	541,273	504,508
Net surplus/deficit	24,318	46,420
Business case drawdown 2016 FY withdrawn 23.8.16	-	(12,035)
Donations transferred to correct account after EOFY 2016	-	3,200
Donations received but transferred to donations account after EOFY 2017	820	(820)
Non donations to be transferred to trading account after EOFY 2018	726	-
Closing balance	<u>567,137</u>	<u>541,273</u>



13. EVENTS AFTER THE BALANCE SHEET DATE

No other matter or circumstance has arisen that has significantly affected, or may significantly affect, the operations of Leeuwin Ocean Adventure Foundation Limited, the results of those operations or the state of affairs of Leeuwin Ocean Adventure Foundation Limited in subsequent years other than those mentioned in the Directors' Report.

2018	2017
\$	\$

14. AUDITOR'S REMUNERATION

Amounts received or due and receivable by auditors Australian Audit for:

- an audit of the financial statements	7,000	7,000
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2018	2017
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15. RESERVES

Ships Replacement Reserve

- Provision for replacement of vessel at end of useful life	1,000,000	1,000,000
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## Directors' Declaration

As detailed in Note 2 to the financial statements, this is a special purpose financial report that has been prepared for distribution to the company's Members and Directors for internal management information purposes. In addition, the Directors have determined the company is not a reporting entity as there are unlikely to exist users who are unable to command the preparation of reports tailored to satisfy specifically all of their information needs.

In accordance with a resolution of the Directors of Leeuwin Ocean Adventure Foundation Limited, we state that:

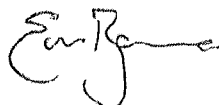
In the opinion of the directors:

- (a) The financial statements and notes of the company are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the company's financial position as at 30 June 2018 and of its performance for the twelve month period ended on that date; and
  - (ii) complying with applicable Accounting Standards and Corporations Regulations 2001; and
- (b) Taking into consideration Note 2(b) of the financial statements, there are reasonable grounds to believe the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board:



Director  
Fremantle, 28/11 2018



Director  
Fremantle, 28/11 2018

DIRECTORS:

ROBERT CAMPBELL, CA, CPA, RCA, MSW

VIRAL PATEL, CA, CPA, FCCA (UK), RCA

ALASTAIR ABBOTT CA, RCA, M.FORENSIC ACCOUNTING

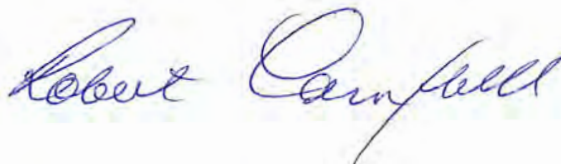
## AUDITOR'S INDEPENDENCE DECLARATION

To the Board of Directors of Leeuwin Ocean Adventure Foundation Ltd

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* and *Corporations Act 2001*, in relation to our audit of the financial report of Leeuwin Ocean Adventure Foundation Ltd for the year ended 30 June 2018, to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- b) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- c) No contraventions of any applicable code of professional conduct in relation to the audit

**Robert Campbell, CA, CPA, GAICD**  
Registered Company Auditor number 334773  
**Director**  
**Australian Audit**



**Dated:**

28 November 2018



## INDEPENDENT AUDITOR'S REPORT

To the members of Leeuwin Ocean Adventure Foundation Ltd

### Report on the Audit of the Financial Report Opinion

We have audited the financial report of Leeuwin Ocean Adventure Foundation Ltd (the Entity), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the statement by the Board of Directors.

In our opinion the accompanying financial report has been prepared in accordance with requirements of the *Corporations Act 2001* and Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- a) giving a true and fair view of the Entity's financial position as at 30 June 2018, and of its financial performance and its cash flows for the year then ended; and
- b) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Entity to meet the requirements of the *Corporations Act 2001* and the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.



### Responsibilities of Board of Directors for the Financial Report

Board of Directors is responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and the *ACNC Act* and the needs of the members. The responsibility of the Board also includes such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

The Board is responsible for overseeing the Entity's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board.
- Conclude on the appropriateness of Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw



attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Report on Other Legal and Regulatory Requirements

In our opinion, Leeuwin Ocean Adventure Foundation Ltd has complied with 60-30(3)(b), (c) and (d) of the ACNC Act:

- by providing us with all information, explanation and assistance necessary for the conduct of the audit;
- by keeping financial records sufficient to enable a financial report to be prepared and audited ; and
- by keeping other records required by Part 3-2 of the ACNC Act, including those records required by Section 50-5 that correctly record its operations, so as to enable any recognised assessment activity to be carried out in relation to the entity.

**Robert Campbell, CA, CPA, GAICD**  
Registered Company Auditor number 334773  
**Director**  
**Australian Audit**



**Dated:** 28 November 2018











# Facts and Figures

2017 - 2018 Sail Season

**24**  
VOYAGES

**5,793**  
NAUTICAL MILES

**143**  
YOUTH VOLUNTEERS

**4,491** (78%)  
NAUTICAL MILES  
UNDER SAIL

**27,826**  
YOUTH VOLUNTEER HOURS

to help run the voyage program, tall  
ship sails and assist on shore.

**27**  
DAY SAILS

**1,302** (22%)  
NAUTICAL MILES  
MOTOR SAILING



# What they say...

## PARTICIPANTS

‘You seem different’ was the first thing Mum said when I stepped off the gangway.

‘What do you mean?’

‘I don’t know, maybe you’ve grown up’

‘I’m exactly the same, Mum’

I knew she was right, I was different. The Leeuwin changed me for the better. Thanks to the Leeuwin, I now appreciate the little things. My food, my family, my teachers. I have become independent and resilient. I will never forget what the Leeuwin has done for me. The only thing better than going on the Leeuwin is going on it twice.

### Joseph Brunswick (16)

I remember vividly till this day, a young man with a physical disability. He tried harder every day, and the second last day he climbed to the top of the main mast (33m). People were helping him, holding him, pushing him inch by inch. That struck me the most. You can achieve the impossible. And there is plenty of help in this world. I feel very humbled by what I saw yet at the same time very empowered.

### James Fernihough (16)

The Leeuwin has taught me to be more empathetic, it has shown me the importance of teamwork and leadership, how there cannot be one without the other, and it taught me the importance of hard work to achieve whatever goal you have.

### Zoe Sutton (24)

## NEXT OF KIN

I am grateful for the opportunities Leeuwin has given our girls - they have made friends outside their immediate network, have been encouraged and emboldened to be their best selves while having a whole lot of fun!

### Nichelle Scholz, Mother of Tehya and Nikota Scholz

Jack still hasn’t stopped smiling. We can see changes in his thinking and actions that reflect directly on his experience with the Leeuwin. Our eternal thanks.

### Sharon Hart, Grandmother of Jack Walls





In 2017-2018 Leeuwin Ocean Adventure was proudly supported by



Leeuwin Ocean Adventure Voyage programs are endorsed by



School Curriculum  
and Standards  
Authority



Queen's Scout  
Award

Leeuwin Ocean Adventure events were supported by



LEEWIN ESTATE  
THE ART OF FINE WINE



Leeuwin Ocean Adventure acknowledges the support of its Refit Sponsors



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Cunderdin Lions  
Department of Education - Engagement  
Forum  
Diabetes Australia  
Edith Cowan University  
Fremantle College

Friends of Rocky Bay  
Geoffrey Evans Trust  
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Geraldton Regional Aboriginal  
GP Down South  
Identity WA  
Jerramungup District High School  
Karratha Education Initiative  
Karratha Senior High School  
Katanning Rotary  
Kwinana Industries Council  
Lions Club Greenough  
McCusker Charitable Foundation  
Medical Service  
Melville Rotary  
Mid West Port Authority

Middle Island Fishing Crew  
Mosaic  
Naval Association of WA  
Nulsen Disability Services  
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Relationships Australia  
Rockingham Rotary  
Rotary of Batavia Coast  
Shire of Dandaragan  
Shire of Dardanup  
Shire of Harvey  
Sir Frank Ledger Charitable Trust  
South Cross Hay Committee  
WA Secondary School  
Executives Association  
World Ship Society  
Fremantle Branch

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