



LEEUEWIN
Ocean Adventure Foundation



ANNUAL REPORT 2018-19



2018-19 Year in Review

Leeuwin Ocean Adventure starts each new financial year with the STS Leeuwin II in its annual refit and maintenance period.

Returning from its annual northern rotation in late June 2018, including delivery of five back to back voyages in Shark Bay with our long-term client Christ Church Grammar School and an outport visit in Geraldton, the 89-day refit and maintenance period was well underway by 1 July 2018.

The ship was dry docked at BAE Henderson during the refit, allowing the 2018-19 Woodside sponsored maritime cadets with a great opportunity to be involved in a bi-annual event while putting the pressure on to complete the 187 scheduled jobs.



2018 was the first year in which Work Place Learning was introduced at Leeuwin Ocean Adventure. Working with schools, students were provided with a unique and sometimes challenging working environment supervised by our expert team.

The first Great Southern Grammar charter sailed in November 2018, leading to a further chartered voyage in November 2019 and we're thrilled to be returning to Albany with a full complement of Great Southern Grammar Year 10 students in March 2020.

In December 2018, in a new partnership with Visability, sponsored by Telethon, we welcomed 9 vision impaired trainees on board a 7-day youth explorer voyage. Pre-voyage training of staff, crew and volunteers and the development of some excellent training aids, built with the support of our shed volunteers, this was an exciting venture building further credibility for Leeuwin Ocean Adventure in the disability services space.



STS Leeuwin II received a very warm welcome into Albany in January 2019, returning for the first time in a decade. Manoeuvring onto Town Jetty demonstrated the high level skills of Leeuwin's crew but it could not have been achieved without the assistance of Southern Ports Authority – Albany and the Department of Transport.

A new 3-day voyage program has been developed to provide additional opportunities for young people completing their Duke of Edinburgh's International Awards. Leeuwin has now developed programs to meet Award requirements at all three levels, Bronze, Silver and Gold. The first of these new programs was launched in February 2019.

Leeuwin Ocean Adventure's maritime cadetship program grew to five cadets in 2019, with new sponsors Riverwijs and Rivtow joining Woodside in providing young men and women with an extraordinary opportunity to launch their careers in the maritime industry.



In a really exciting development, Leeuwin Ocean Adventure's first Future Connect voyage was delivered in March 2019. Based on a model developed by the sail training organisation Windeward Bound Trust operating in Tasmania, this voyage was developed to strengthen cultural competency in young Western Australians.

On board we had youth from 24 different nationalities and language groups, with half from migrant, refugee and asylum seeker backgrounds joining with the half from any cultural background but principally raised in Australia. We look forward to hosting this voyage again in the future.

Students from United World College, Singapore joined for their 7-day voyage adventure in March 2019 before the ship headed north to Monkey Mia, via Geraldton.

Tall Ships Australia and New Zealand medallions were awarded to Leeuwin Ocean Adventure volunteers and former Leeuwin-Woodside maritime cadets, Koby Cooke (cadet 2016-17) and Elsemieke Marren (cadet 2018-19).

Elsemieke Marren and fellow Leeuwin-Woodside maritime cadet Lachlan Chaytor (2018-19) were also acknowledged by the Nautical Institute through conferring of their annual award.

Sail Training International Award – Sail Training Volunteer of the Year – was awarded to Leeuwin Ocean Adventure volunteer Peter Graham.

Leeuwin Ocean Adventure was awarded a research scholarship from Sail Training International.







LEEUVIN II

SPECIAL PURPOSE FINANCIAL REPORT
For the Year Ended 30 June 2019

Directors' Report

Your directors submit their report for the period ended 30 June 2019.

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 – Retired 11.12.18	Company Director	Chair	Nil
Mr Matthew Collin – Resigned 11.12.18	Company Director	Deputy Chair	Nil
Ms Anna Sudlow	Chief Financial Officer	Acting Chair	Nil
Mr Mark Gooderham – Retired 11.12.18	General Manager	Nil	Nil
Ms Jennifer Lawrence – Retired 11.12.18	Chief Executive Officer	Nil	Nil
Ms Clare Wood – Resigned 11.12.18	Company Secretary	Nil	Nil
Ms Erin Bourne	Company Director	Nil	Nil
Capt Angela Bond RAN	Executive	Nil	Nil
Ms Julia Burns – appointed 11.12.18	Executive Director	Nil	Nil
Mr David Marren – appointed 11.12.18	Company Director	Nil	Nil
Mr Warwick Pointon – appointed 11.12.18	Company Director	Nil	Nil
Ms Kimberly Reeder – appointed 11.12.18	General Counsel	Nil	Nil
Ms Jennifer West – appointed 11.12.18	Business Management	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 activity of the company in the course of the financial year was youth development.

Operating result for the twelve months to 30 June 2019

The current results are for the twelve month period to 30 June 2019. Revenue from operations was \$1,201,250 (last period \$1,358,795). Expenses were \$2,257,140 (last period \$2,335,276).

Other income (including capital grants) was \$460,729 (last period \$452,078).

The current ratio is reported in the notes as 2.3 times coverage of current liabilities. This is based on current assets of \$1,374,875 including cash of \$1,170,331.

It has been noted that the current reserve of \$1,000,000 is inadequate to cover potential ship replacement in 10 years' time. The working capital cover ratio does not include provision for ship replacement and operational revenue is not a feasible source of funding. A separate project to address new vessel construction is to be pursued.

Three year review of progress

The 2018-19 result is similar to the 2016-17 financial outcome with the 2017-18 result boosted by a bequest, an international charter and a major fundraising event. Income growth overall over the period has been flat. Voyage fares have not been increased since January 2018 and an ever-present and increasing reliance on fare subsidies generated through the fundraising efforts of the company contribute to a stable rather than growing income result. Growth in income beyond fare increases and an increase in full fare-paying participants is constrained.

It is noted that the increase to operational costs has been contained to 2% over three years.

The company continues to utilise cash reserves to cover its income/revenue shortfall. Cash reserves are now at 65% of the level that they were in 2017. The use of cash reserves primarily covers ship repairs and maintenance. The Directors will continue to focus on the shortfall and every effort will be made in the 2019-20 financial year to raise sufficient funds to address this issue.

Significant events after the balance date

The ship is alongside in Fremantle from July to September 2019 undergoing its annual winter refit program with budgeted expenditure to be in the order of \$137,000. Actual expenditure is now expected to be less than \$100,000.

New voyage and sponsorship contracts are under negotiation commencing 2019-20.

Likely developments and expected results

A strong focus on re-engagement with the education sector has put Leeuwin Ocean Adventure back into the minds of secondary schools and engagement of the tertiary sector is starting to yield results.

Leeuwin Ocean Adventure's youth voyages are an endorsed program through the School Curriculum and Standards Authority resulting in tangible benefits for students.

Budgeted expectations are for 17 short sails, 18 public voyages and the equivalent of 7 charter voyages for the twelve months to 30 June 2020. As at 30 June 2019 bookings made in advance were almost \$40,000 less than at 30 June 2018.

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 sponsorship contract with Woodside will continue until 2021. In addition, sponsorship contracts with CBH Group, AngloGold Ashanti and new sponsor IGO enables Leeuwin Ocean Adventure to offer voyage subsidies for youth across Western Australia. The current contract for services with the Department of Communities is due to continue to June 2020, with an option to extend for two years.

Signed in accordance with a resolution of the directors.

For and on behalf of the board:



Director
Fremantle, 26, 11 2019



Director
Fremantle, 26th, 11 2019

Statement of Profit or Loss and Other Comprehensive Income

FOR THE PERIOD ENDED 30 June 2019	Notes	Jun 2019	Jun 2018
		\$	\$
Revenue			
Sales of goods		25,857	25,923
Rendering of services		1,161,866	1,301,019
Finance revenue		13,527	25,388
Change in inventories		-	6,465
	3	1,201,250	1,358,795
Other Income			
Other income:	3	460,729	452,079
Total Revenue		1,661,979	1,810,874
Expenditure			
Change in inventories		(3,075)	-
Employee benefits expense		(1,230,190)	(1,243,773)
Other expenses	4	(658,023)	(724,455)
Total Expenditure		(1,891,288)	(1,968,228)
Operating profit before depreciation and amortisation		(229,309)	(157,354)
Less depreciation and amortisation	4&8	(365,852)	(353,055)
Profit after depreciation and amortisation		(595,161)	(510,409)
Capital Grants		-	-
Loss on Disposal of asset		-	(13,993)
Total comprehensive income		(595,161)	(524,402)

Statement of Financial Position

AS AT 30 JUNE 2019	Notes	2019 \$	2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	1,170,331	1,528,242
Trade and other receivables	6	13,074	129,973
Inventories	7	18,487	15,411
Prepayments		172,983	37,903
Total Current Assets		1,374,875	1,711,529
Non-Current Assets			
Plant and equipment	8	2,911,316	3,175,415
Total Non-Current Assets		2,911,316	3,175,415
TOTAL ASSETS		4,286,191	4,886,944
LIABILITIES			
Current Liabilities			
Trade and other payables	9	451,631	476,758
Provisions	11	141,054	110,867
Total Current Liabilities		592,685	587,625
Non-Current Liabilities			
Provisions	11	993	11,644
Total Non-Current Liabilities		993	11,644
TOTAL LIABILITIES		593,678	599,269
NET ASSETS		3,692,513	4,287,675
EQUITY			
Retained earnings		2,692,513	3,287,675
Reserves	15	1,000,000	1,000,000
TOTAL EQUITY		3,692,513	4,287,675

Statement of Cash Flows

FOR THE PERIOD ENDED 30 JUNE 2019	Notes	2019 \$	2018 \$
Cash flows from operating activities			
Receipts from customers		1,266,602	1,299,194
Payments to suppliers and employees		(1,997,016)	(1,845,370)
Grants, sponsorship and donations received		460,729	452,079
Interest received		13,527	25,388
Net cash from operating activities	5	(256,158)	(68,709)
Cash flows used in investing activities			
Proceeds from sale of plant and equipment	5	-	-
Payments for plant and equipment	8	(101,754)	(207,809)
Net cash used in investing activities		(101,754)	(207,809)
Cash flows from financing activities			
Net cash (used in)/ from financing activities		-	-
Net increase (decrease) in cash and cash equivalents		(357,911)	(276,518)
Cash and cash equivalents at the beginning of the financial year		1,528,242	1,804,759
Cash and cash equivalents at the end of the financial year	5	1,170,331	1,528,242

Statement of Changes in Equity

FOR THE PERIOD ENDED 30 JUNE 2019	Retained Earnings \$	Reserves	Total
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
At 1 July 2018			
Total comprehensive income for the year	(595,161)	-	(595,161)
At 30 June 2019	2,692,513	1,000,000	3,692,513

Notes to the Financial Statements

FOR THE PERIOD ENDED 30 JUNE 2019

1. CORPORATE INFORMATION

The financial report of Leeuwin Ocean Adventure Foundation Limited (the company) for the period ended 30 June 2019 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, the continued depletion of cash reserves will impact the ability in 2020-21 for the company to continue as a going concern.

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.

i) Working capital ratio records coverage of current liabilities to current assets of 2.3 times (last year 2.9).

ii) Funding from organisations including the Department of Communities, Woodside Energy, CBH Group, AngloGold Ashanti and IGO continues to provide Leeuwin Ocean Adventure with a solid base for its financial security and guaranteed income over the year to 30 June 2020.

Leeuwin Ocean Adventure Foundation Limited

(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) *Tong 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.

(r) 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 in the statement of financial position are shown inclusive of GST, except for accrued expenses which are shown net of GST. The net amount of GST recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Cash flows are presented in the statement of cash flows 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.

(s) Comparative Figures

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

(t) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Leeuwin Ocean Adventure Foundation Limited

FOR THE PERIOD ENDED 30 JUNE 2019	Notes	2019 \$	2018 \$
3. REVENUE FROM CONTINUING OPERATIONS			
Sale of goods		25,857	25,923
Rendering of services		1,161,866	1,301,019
Finance revenue		13,527	25,388
Change in inventories			6,465
Total revenues		1,201,250	1,358,795

OTHER INCOME

Donations and Sponsorships

Dept. Local Government and Communities	3 (a)	200,295	207,643
Woodside Energy	3 (a)	73,438	77,321
Other Sponsorships and Grants		50,147	9,427
Deductible gift recipient donations		116,616	19,034
Other donations and fundraising		20,233	138,654
Total other income		460,729	452,079

Sub note 3 (a) – These revenues result from untied sponsorships and donations.

Grants directly tied to scholarships and totalling \$186,962 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.

	2019 \$	2018 \$
4. OTHER EXPENSES		
Depreciation of property, plant and equipment	356,675	343,985
Amortisation of leasehold improvements	9,177	9,100
Total depreciation and amortisation expenses	365,852	353,055
Cost of inventories sold	16,112	17,046
Ship repairs and maintenance	156,173	140,450
Victualling and accommodation expense	84,494	97,068
Ship operations and programming	132,311	125,718
Insurance expense	93,415	87,447
Promotional expenses	64,412	54,731
Other expenses	111,106	201,996
Total other expenses	658,073	724,455

5. CASH AND CASH EQUIVALENTS	2019	2018
Cash at bank and in hand	1,170,331	1,528,242
	1,170,331	1,528,242

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	(595,162)	(524,402)
Adjustments for:		
Depreciation	356,675	343,955
Amortisation	9,177	9,100
Loss on disposal of asset	-	13,993
Changes in assets and liabilities		
(Increase)/decrease in inventories	(3,076)	6,465
(Increase)/decrease in trade and other receivables	116,899	(57,851)
(Increase)/decrease in prepayments	(135,079)	119,356
(Decrease)/increase in trade and other payables	14,865	(47,773)
(Decrease)/increase in advance bookings	(39,993)	30,102
(Decrease)/increase in provisions	19,536	38,345
Net cash (used in)/from operating activities	(256,158)	(68,709)

TRADE AND OTHER RECEIVABLES

	2019	2018
Trade debtors	5,360	57,075
Sundry debtors and accrued income	7,714	72,898
	13,074	129,973

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.

	2019	2018
INVENTORIES (CURRENT)	\$	\$
Finished goods (at net realisable value)	18,487	15,411
Total inventories at the lower of cost and net realisable value	18,487	15,411

Leeuwin Ocean Adventure Foundation Limited

8. PLANT AND EQUIPMENT	Leasehold improvements	STS Leeuwin and Workshop	Office	Total
Year ended 30 June 2019	\$	\$	\$	\$
At 1 July 2018, Net of accumulated depreciation and impairment	80,394	3,077,143	17,878	3,175,415
Additions		92,644	9,109	101,753
Disposals at written down value	-	-	-	-
Depreciation charge for the year	(9,177)	(349,269)	(7,406)	(365,852)
At 30 June 2019, Net of accumulated depreciation and impairment	71,216	2,820,519	19,581	2,911,316
At 1 July 2018				
Cost	775,556	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
At 30 June 2019				
Cost	775,556	6,576,268	177,842	7,029,666
Accumulated depreciation and impairment	(204,339)	(3,755,749)	(158,261)	(4,118,349)
Net carrying amount	71,217	2,820,519	19,581	2,911,317

	2019	2018
	\$	\$
TRADE AND OTHER PAYABLES (CURRENT)		
Trade payables	136,327	93,214
Advance bookings	76,085	116,078
Sponsorship grants received & not yet allocated	146,280	144,306
Sundry creditors and accrued expenses	92,939	123,150
	451,631	476,758

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.

	2019	2018
	\$	\$

10. COMMITMENTS AND CONTINGENCIES

Operating lease commitments – Company as lessee

Future minimum rentals payable under non-cancellable operating leases as at 30 June 2019 are as follows:

Within one year		22,646
After one year and not later than five years	5,662	3,774
	<u>5,662</u>	<u>26,420</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	11,245	10,910
After one year and not later than five years	32,395	43,640
	<u>43,640</u>	<u>54,550</u>

	2019	2018
	\$	\$

11. EMPLOYEE ENTITLEMENTS AND SUPERANNUATION COMMITMENTS

Employee Entitlements

The aggregate employee entitlement liability is comprised of:

Provision for annual leave (current liability)	94,574	87,007
Provision for long service leave (current liability)	46,480	23,860
Total current provisions	<u>141,054</u>	<u>110,867</u>

Provision for long service leave (non-current)	993	11,644
Total non-current provisions	<u>993</u>	<u>11,644</u>

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.

Leeuwin Ocean Adventure Foundation Limited

12. PUBLIC FUND

Income and expenditure

Income	2019	2018
	\$	\$
Donations	116,616	18,784
Finance revenue	6,061	5,802
	122,677	24,586
Expenditure		
Drawdowns as per charter authorities	(70,250)	-
Fees and charges	(99)	(268)
	(70,349)	(268)
Net Surplus/Deficit	52,327	24,318

Cash flow reconciliation

Opening balance	567,137	541,273
Net surplus/deficit	52,327	24,318
Donations transferred to correct account after EOFY 2018		-
Donations received but transferred to donations account after EOFY		820
Non donations to be transferred to trading account after EOFY 2018		726
Closing balance	619,464	567,137

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.

2019	2018
\$	\$

14. AUDITOR'S REMUNERATION

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

• an audit of the financial statements	8,000	7,000
----------------------------------------	-------	-------

Leeuwin Ocean Adventure Foundation Limited

	2019	2018
15. RESERVES		
Ships Replacement Reserve		
- Provision for replacement of vessel at end of useful life	1,000,000	1,000,000

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:

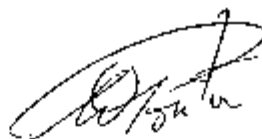
In the opinion of the directors:

- (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 2019 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, 26 / 11 2019



Director
Fremantle, 26 / 11 2019

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 2019, 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 John Campbell, CA CPA

Registered Company Auditor number 334773

Director

Australian Audit

Perth, Western Australia

Dated: 28 November 2019

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 2019, 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 2019, 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 John Campbell, CA CPA

Registered Company Auditor number 334773

Director

Australian Audit

Perth, Western Australia

Dated: 28 November 2019





Facts and Figures

2018 - 2019 Sail Season

22
VOYAGES

5,246.8
NAUTICAL MILES



128
YOUTH VOLUNTEERS

3,895.1 (74.2%)
NAUTICAL MILES
UNDER SAIL



31,098

YOUTH VOLUNTEER HOURS

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



19
DAY SAILS

1,351.7 (25.8%)
NAUTICAL MILES
MOTOR SAILING

What they say...

VOYAGE PARTICIPANTS

“**BEFORE BOARDING I HAD NO IDEA WHAT TO EXPECT,** and now finishing it I have come to realise that this experience will be one of the best experiences that I will have in my life”

“**I LEARNT THAT I CAN TRUST MYSELF** and see what I am capable of”

“I’ve always simply accepted that I am weak and not tried to step up under the guise of being easy going...**I’M HAPPY I FOUND PEOPLE WHO ENCOURAGED ME**”

“I’ve learnt that it’s not always a good thing to be a one man show and sometimes let others to help you out in any challenges you encounter. **IT HELPS ME GAIN CONFIDENCE AND LET ME BE ABLE TO TRUST OTHER PEOPLE IN ANY PROBLEMS I’M FACING**”

“**I’VE FOUND MYSELF MAKING SOME GENUINE REAL AND GREAT FRIENDSHIPS** that would not have happened outside the Leeuwin. The people in my watch have become similar to family to me”

“**I BELIEVE THE MOST CHALLENGING PART OF THIS VOYAGE WAS STEPPING OUTSIDE COMFORT ZONE IN TERMS OF MY SOCIAL SKILLS.** And I can honestly say I have created lifelong friendships with everyone on this voyage”

“At the start of this voyage I didn’t want to be here. I just wanted to go home. But as the days progressed I didn’t want to leave...**I’VE CREATED MEMORIES THAT I’M NEVER GOING TO FORGET** and have faced fears I never thought I would. I climbed the mast and conquered my fear of heights”

“**I LEARNT THINGS ON BOARD THE STS LEEUWIN II THAT YOU COULD NEVER LEARN IN A CLASSROOM.** I really was pushed out of my comfort zone and for that I am a better person. I developed as a person and now feel I can contribute more to society”

“**I WANTED TO SAIL ON THE LEEUWIN BECAUSE IT REPRESENTED A CHALLENGE I HAVE NEVER FACED.** It tested me in more ways than one. But at the end of it all I have come out with new friends, a sense of accomplishment, and the confidence to face the challenges that lie ahead of me”



Credit to the Fathering Project

In 2018-2019 Leeuwin Ocean Adventure was proudly supported by



Leeuwin Ocean Adventure Voyage programs are endorsed by



Queen's Scout Award



Leeuwin Ocean Adventure events were supported by



Leeuwin Ocean Adventure acknowledges the support of its Refit Sponsors



Hamilton Engineering
Henderson Hose and Fitting

IKAD
Minprovis
Rigging Shed

STACE
Total Metal Recyclers

In 2018-2019 voyage participation was sponsored by



121 Inc
Activ Foundation
Anglicare WA
Australian Navy Cadets - TS Cockburn
Australian Navy Cadets - TS Morrow
Autism West
Brightwater
Enable
City of Albany
City of Bunbury
City of Fremantle
City of Greater Geraldton
City of Vincent
Community Vision
Cunderdin Lions Club
Denmark Lions Club
Department of Communities
Department of Education - Engagement Forum
Department of Home Affairs

Edith Cowan University - School of Business Law
Ellenbrook Christian College
Friends of Rocky Bay
Geoffrey Evans Trust
Identity WA
Jerramungup Lions Club
Kambalda West District High School
Karratha Education Initiative
Karratha Senior High School
Kwinana Industries Council
Lake Joondalup Baptist College
Lions Club of Leeuwin
Lions Club of Manjimup
Lord Nelson Lodge
McCusker Charitable Foundation
Mid West Port Authority
Middle Island Fishing Crew
Mosaic
Naval Association of WA

Nulsen Disability Services
Relationships Australia
Rotary Club of Bridgetown
Rotary Club of Melville
Rotary Club of Rockingham
Rotary Club of Willetton
Shire of Dandaragan
Shire of Dardanup
Shire of Harvey
Shire of Wandering
Sir Frank Ledger Charitable Trust
South Coast Baptist College
South Metro Youth Link
Southern Ports Authority
Suffolk Investments
Telethon Speech and Hearing
Visibility
Walpole Yacht Club

B Berth, Victoria Quay, Fremantle, Western Australia 6160

T (08) 9430 4105 E office@sailleeuwin.com

www.sailleeuwin.com @LeeuwinII @sailleeuwin Leeuwin Ocean Adventure Foundation