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# Seafarers' Welfare Fund

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ABN: 69 302 106 434

Financial Statements

For the Year Ended 31 December 2020

# Seafarers' Welfare Fund

31 December 2020

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# Seafarers' Welfare Fund

## Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2020

	Note	2020 \$	2019 \$
Revenue	2	77,646	170,478
Interest income		48	66
Distributions to The Mission to Seafarers' Victoria Inc.		-	(198,452)
Bank fees		(710)	(720)
Other expenses		-	(520)
<b>Surplus / (Deficit) before income tax expense</b>		<b>76,984</b>	<b>(29,148)</b>
Income tax expense	1(b)	-	-
<b>Surplus / (Deficit) after income tax expense</b>		<b>76,984</b>	<b>(29,148)</b>

# Seafarers' Welfare Fund

## Statement of Financial Position

As at 31 December 2020

	Note	2020 \$	2019 \$
<b>Current assets</b>			
Cash and cash equivalents	3	128,682	38,634
<b>Total current assets</b>		<b>128,682</b>	<b>38,634</b>
<b>Total assets</b>		<b>128,682</b>	<b>38,634</b>
<b>Current liabilities</b>			
Trade and other payables	4	13,064	-
<b>Total current liabilities</b>		<b>13,064</b>	<b>-</b>
<b>Total liabilities</b>		<b>13,064</b>	<b>-</b>
<b>Net assets</b>		<b>115,618</b>	<b>38,634</b>
<b>Equity</b>			
Retained earnings		115,618	38,634
<b>Total equity</b>		<b>115,618</b>	<b>38,634</b>

# Seafarers' Welfare Fund

## Statement of Changes in Equity

For the Year Ended 31 December 2020

	Retained earnings \$	Total \$
<b>Balance at 1 January 2019</b>	67,782	67,782
Deficit attributable to the entity	(29,148)	(29,148)
<b>Balance at 31 December 2019</b>	<b>38,634</b>	<b>38,634</b>
<b>Balance at 1 January 2020</b>	<b>38,634</b>	<b>38,634</b>
Surplus attributable to the entity	76,984	76,984
<b>Balance at 31 December 2020</b>	<b>115,618</b>	<b>115,618</b>

# Seafarers' Welfare Fund Statement of Cash Flows

For the Year Ended 31 December 2020

	Note	2020 \$	2019 \$
<b>Cash flows from operating activities</b>			
Receipts from grantors and donors		90,710	175,578
Payments to suppliers and employees		(710)	(204,092)
Interest received		48	66
<b>Net cash provided by / (used in) operating activities</b>	6	<b>90,048</b>	<b>(28,448)</b>
<b>Net increase / (decrease) in cash held</b>		<b>90,048</b>	<b>(28,448)</b>
Cash and cash equivalents at the beginning of the financial year		38,634	67,082
<b>Cash and cash equivalents at the end of the financial year</b>	3	<b>128,682</b>	<b>38,634</b>

# Seafarers' Welfare Fund

## Notes to the Financial Statements

For the Year Ended 31 December 2020

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### Note 1. Summary of significant accounting policies

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#### Corporate information

The Seafarers' Welfare Fund ("the Trust") is a trust incorporated in 1999 for the relief of seafarers and is a registered charitable fund which can receive tax deductible donations. This financial report covers the Trust as an individual entity.

The financial statements were authorised for issue on 20 April 2021 by the trustee of the Trust Mission to Seafarers' Victoria Inc.

#### Basis of preparation

In the opinion of the trustee, the Trust is not a reporting entity as its users, being the trustees, may request the financial information they need. These special purpose financial statements have been prepared for distribution to the trustee and for the purposes of fulfilling the Trust's reporting requirements under the Trust's Trust Deed, the *Australian Charities and Not-for-profits Commission Act 2012* and to assist with the Trust's return to Consumer Affairs Victoria and reporting obligations to the Australian Charities and Not-for-profits Commission.

These special purpose financial statements comply with all the recognition and measurement requirements in Australian Accounting Standards.

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

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

#### Accounting policies

##### (a) Revenue

##### Revenue recognition

When the Trust receives grants, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15 Revenue from Contracts with Customers (AASB 15).

When both these conditions are satisfied, the Trust:

- identifies each performance obligation relating to the grant
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations, at the time of which services are rendered.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Trust:

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards;
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Trust recognises income in profit or loss when or as it satisfies its obligations under the contract.

# Seafarers' Welfare Fund

## Notes to the Financial Statements

For the Year Ended 31 December 2020

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### Note 1. Summary of significant accounting policies (continued)

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#### (a) Revenue (continued)

This policy applies to each of the Trust's revenue streams as disclosed below.

##### *Grants*

The Trust's grants do not typically contain sufficiently specific performance obligations. This means that under AASB 1058 such funds are usually recognised as revenue immediately when the Trust obtains control of the cash, even if the funding is to be spent in the following reporting period.

##### *Donations and bequests*

Donations or bequests received by the Mission typically do not contain terms or contracts that contain sufficiently specific performance obligations, therefore revenue is recognised when received.

##### *Interest income*

Interest income is recognised using the effective interest method.

#### (b) Income tax

The Trust is exempt from paying income tax under section 50-45 of the *Income Tax Assessment Act 1997* and consequently no income tax expense is shown in these financial statements.

#### (c) Cash and cash equivalents

Cash and cash equivalents, shown in the statement of financial position, include cash on hand, deposits held at-call with banks, and other short-term highly liquid investments with original maturities of three months or less.

#### (d) Financial instruments

The Trust's financial instruments consist of deposits with banks and trade and other payables.

##### *Recognition, initial measurement and derecognition*

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

##### *Classification and subsequent measurement of financial assets*

All financial assets are initially measured at fair value adjusted for transaction costs (where applicable). For the purpose of subsequent measurement, financial assets are classified into amortised cost. The Trust does not utilise hedging instruments.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

# Seafarers' Welfare Fund

## Notes to the Financial Statements

For the Year Ended 31 December 2020

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### Note 1. Summary of significant accounting policies (continued)

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#### (d) Financial instruments (continued)

##### *Impairment of financial assets*

The Trust makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. The Trust uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

##### *Classification and subsequent measurement of financial liabilities*

The Trust's financial liabilities include trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Trust designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method. The Trust does not utilise derivative financial instruments. The Trust's trade and other payables fall into this category of financial instruments.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

#### (e) Trade and other payables

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

#### (f) Provisions

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

#### (g) Comparative figures

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

#### (h) Critical accounting estimates and judgements

The Trustee evaluates estimates and judgements 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 Trust.

#### Key judgments

##### *Identifying performance obligations under AASB 15*

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. The Trustee exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement (typically a philanthropic grant), explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/-type, cost/-value, quantity and the period of transfer related to the goods or services promised.

# Seafarers' Welfare Fund

## Notes to the Financial Statements

For the Year Ended 31 December 2020

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### Note 1. Summary of significant accounting policies (continued)

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#### (h) Critical accounting estimates and judgements (continued)

When reviewing consideration received under AASB 15, the Trust has identified that performance obligations as per the grant agreements entered into were not considered sufficiently specific. Accordingly, such funding is recognised as revenue when the Trust has control of the funding, even if this represents a different reporting period to the year in which the funding is spent or relevant expenditure is incurred.

#### *Determination and timing of revenue recognition under AASB 15*

For each revenue stream, the Trust applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation.

The output method is used to recognise revenue once performance obligations are satisfied, typically over time.

	2020	2019
	\$	\$
<b>Note 2. Revenue</b>		
Grants	1,503	3,900
Donations and bequests	76,143	165,620
Other revenue	-	958
	<u>77,646</u>	<u>170,478</u>
<b>Note 3. Cash and cash equivalents</b>		
<i>CURRENT</i>		
Cash on hand	78,682	31,462
Cash at bank	-	7,172
Short-term investments - bank deposits	50,000	-
	<u>128,682</u>	<u>38,634</u>
<b>Note 4. Trade and other payables</b>		
<i>CURRENT</i>		
Funds due to Mission to Seafarers' Victoria Inc.	<u>13,064</u>	-
<b>Note 5. Capital and leasing commitments</b>		

#### (a) Lease commitments

No lease expenditure commitments were contracted for at year end.

#### (b) Capital expenditure commitments

No capital expenditure commitments were contracted for at year end.

# Seafarers' Welfare Fund

## Notes to the Financial Statements

For the Year Ended 31 December 2020

	2020	2019
	\$	\$
<b>Note 6. Cash flow information</b>		
Reconciliation of cash flow from operations with surplus/(deficit) after income tax		
Surplus/(Deficit) after income tax expense	76,984	(29,148)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	-	5,100
- increase/(decrease) in trade and other payables	13,064	(4,400)
Cash flows from operations	<u>90,048</u>	<u>(28,448)</u>

### Note 7. Contingent liabilities and assets

The Trust's trustee The Mission to Seafarers' Victoria Inc. is not aware of any contingent liabilities or assets as at the date of signing this financial report.

### Note 8. Events after the reporting period

There have been no other events subsequent to the balance sheet date that have an impact that would require disclosure in the financial statements or notes thereto.

	2020	2019
	\$	\$
<b>Note 9. Related party transactions</b>		
The Trust's related parties comprise the following related entities:		
- The Mission to Seafarers' Victoria Inc.		
<b>Transactions with related entities</b>		
The Trustee reports the following transactions with related entities:		
<i>Expenditure</i>		
Distributions to The Mission to Seafarers' Victoria Inc.	-	198,452
<i>Liabilities</i>		
Trade and other payables - The Mission to Seafarers' Victoria Inc.	4 13,064	-

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The Trustee has not entered into any material contract with the Trust since the end of the previous financial year and there were no material contracts involving Trustee interests subsisting at year end.

### Note 10. Trust details

The registered office and principal place of business is:

Seafarers' Welfare Fund  
717 Flinders Street  
Docklands VIC 3008

# Seafarers' Welfare Fund Financial Declaration for Responsible Person

The Trustee of the Trust declares that in the Trustee's opinion:

- a. there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- b. the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

On behalf of the Trustee   
Neil Edwards (Director of The Mission to Seafarers' Victoria Inc.)

On behalf of the Trustee   
Liz Grainger (Director of The Mission to Seafarers' Victoria Inc.)

Dated: 20 April 2021

## Independent Auditor's Report to the Trustee of The Seafarer's Welfare Fund

### Report on the audit of the financial statements

#### Qualification

As is common for organisations of this type, it was not practical for The Seafarer's Welfare Fund to establish accounting control over appeals, gifts and donations prior to their receipt in the accounting records of the fund.

Accordingly, it was not practical in relation to such income to extend our examination beyond the amounts recorded in the accounting records of the fund, and as such our audit in relation to this revenue was limited to the amounts recorded.

#### Qualified opinion

In our opinion the accompanying financial report of The Seafarer's Welfare Fund, except for the effects of such adjustments, if any, as might have been determined to be necessary had the limitation discussed in the qualification paragraph not existed, is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- i. giving a true and fair view of the fund's financial position as at 31 December 2020 and of its performance for the year ended on that date; and
- ii. complying with the accounting policies described in Note 1 of the financial report.

#### What we have audited

The Seafarer's Welfare Fund (the fund) financial report comprises the:

- ✓ statement of financial position as at 31 December 2020
- ✓ statement of profit or loss and other comprehensive income for the year then ended
- ✓ statement of changes in equity for the year then ended
- ✓ statement of cash flows for the year then ended
- ✓ notes comprising a summary of significant accounting policies and other explanatory notes, and
- ✓ The trustees' declaration of the entity.

#### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 for the purpose of fulfilling the fund's financial reporting requirements of the *Australian Charities and Not for profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### **Other matter**

The financial report of the fund for the year ended 31 December 2019 was audited by another auditor who expressed a qualified opinion on that financial report on 25 June 2020.

### **Other information**

The fund may prepare an annual report that may include the financial statements, trustee's report and declaration and our audit report (the financial report). The annual report may also include "other information" on the entity's operations and financial results and financial position as set out in the financial report, typically in a Chairperson's report and reports covering governance and other matters.

The trustees are responsible for the other information. An annual report has not been made available to us as of the date of this auditor's report.

Our opinion on the financial report does not cover the other information and accordingly we will not express any form of assurance conclusion thereon.

Our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If we identify that a material inconsistency appears to exist when we read the annual report (or become aware that the other information appears to be materially misstated), we will discuss the matter with the trustees and where we believe that a material misstatement of the other information exists, we will request management to correct the other information.

### **Independence**

We are independent of the fund in accordance with the auditor independence 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.

### **Trustee's responsibility for the financial report**

The trustees of the fund are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such controls as the trustee's determine is necessary to enable preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the trustees are responsible for assessing the fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the fund or cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibility 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. Misstatement can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/home.aspx>. This description forms part of our auditor's report.



**Andrew Frewin Stewart**  
61 Bull Street, Bendigo, 3550  
Dated this 20<sup>th</sup> day of April 2021



**Joshua Griffin**  
Lead Auditor