

**Watarrka Foundation Limited**

**Financial Statements**

**For the Year Ended 30 June 2017**

# Watarrka Foundation Limited

For the Year Ended 30 June 2017

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# Watarrka Foundation Limited

## Directors' Report

### For the Year Ended 30 June 2017

The directors of the company present the financial statements for Watarrka Foundation Limited for the year ended 30 June 2017.

#### Directors

The following persons held office as directors of the company during the period and up to the date of this report:

Mr Richard Ramsden

Mr Jonathan Trollip

Mr Paul Jensen

Mr Anslem Impu (appointed 20 December 2016)

Mr Campbell Hudson (resigned 6 March 2017)

#### Advisory Group

During the year the Foundation established an Advisory Group. The Watarrka Foundation Board acknowledge that it does not possess the gender and ethnic diversity, range of expertise and skills sets to best carry out its vision, mission and objectives. Specialist expertise and skills are required or would be helpful in a range of areas including education, health, aboriginal issues, specific women issues social media, IT, fund raising and project management.

The purpose of the Advisory Group is to:

- Provide for the Foundation an expanded leadership group more representative and better able to assist the community which the Foundation seeks to serve;
- enable the Board to have access on an as and when needed basis to a wide range of expertise and skills sets not possessed by Directors; and
- enable persons who are committed to assisting the Foundation to make a valuable contribution by volunteering to serve as an Advisory Group Member without the legal responsibilities and administrative duties and obligation incumbent upon directors under the Corporation Law

#### Foundation Advisory Group members:

**Campbell Hudson:** Campbell is a senior partner in the Sydney office of international law firm Dentons. Working with Reg Ramsden, Campbell was responsible for the establishment of the Watarrka Foundation and he served as a Director until early 2017

**Aileen Keenan:** Aileen is based in Mebourne and has an extensive background in communications, journalism and corporate proposals writing and management. Aileen's expertise is instrumental in assisting the Watarrka Foundation with its funding submissions and communication initiatives. Aileen is the Watarrka Primary School's Principal (Christine Munro's) sister.

**Christine Munro:** Christine Munro is the Principal of the Watarrka Primary School at Lilla since 2013. The Watarrka Primary School has become one of the Northern Territory's most successful remote primary schools.

**Chris Hakanson:** Chris is the Primary Health Care Manager at the Kings Canyon medical centre and has extensive interaction with the local Watarrka community since moving his family to Kings Canyon in 2014.

Chris's commitment to transforming the health and well being of the local aboriginal people is inspirational. Chris has been huge contributor and participant in assisting the Foundation with its initiatives in the region. Chris was the primary driver in the establishment of the Fat Bike program at the Watarrka Primary School at Lilla.

# Watarrka Foundation Limited

## Directors' Report

For the Year Ended 30 June 2017

### Principal Activities

The principal activity of the company is to raise funds to send to the Aboriginal community in the Northern Territory. The foundation supplies goods and services required by the Aboriginal communities which are funded by the donations received.

Focused on young people, we deliver programs that support a sustainable environment, education, healthy lifestyles and independent livelihoods for Aboriginal communities in the Watarrka region.

Our objectives are:

(a) To alleviate poverty, sickness, destitution and helplessness among the aboriginal community in the Watarrka region.

(b) To carry out projects to alleviate poverty, sickness, destitution and helplessness among the aboriginal community in the Watarrka region.

(c) To provide programs and projects to promote life skills, independence and resilience among the aboriginal community in the Watarrka region.

(d) To provide examples for other organisations to adopt of programs and projects that make a positive difference to Aboriginal communities in need.

(e) To secure funds from the public and other available funding sources to further the objects of the Watarrka Foundation.

We are committed to the creation of thriving, independent and self-reliant aboriginal communities living on their ancestral land. We aim to achieve this by working directly and collaboratively with like minded organisations.

### **Major initiatives and projects undertaken during the year:**

(a) Planting of 100 Fruit trees at the Watarrka Primary School:

The project was initiated by Christine Munro, the Principal at Watarrka Primary School with the objectives of (i) securing an enduring supply of healthy fresh fruit to children. (ii) the establishment of an effective windbreak for WPS children play area and (iii) inspiring the local Watarrka communities ( to produce more nutritional local produce).

(b) 2016 Sports and Story Telling Festival:

The 2016 Festival brought together three neighbouring remote primary Schools (Watarrka, Imanpa and Utjil Areyonga primary Schools for 2 days of drama and sporting activities.

(c) Maintenance and provision of new Fat Bikes at the Watarrka Primary School:

What better way to make school fun, thereby increasing student enrolments, and provide significant health benefits for students, than to have Fat Bikes? Working with the school principal Christine Munro and the Foundation, in early 2016 the Foundation delivered 20 bikes for the Watarrka Primary School and local community. The program has been an outstanding success, and continues to depend upon the selfless very extensive ongoing commitment of time and expertise by Chris Hankanson.

(d) Maintenance and development of the Community fruit and vegetable gardens at Lilla, Wanmarra, Ulpanyali and the Watarrka Primary School:

With the assistance of Slow Food Hunter Valley and many of the visiting metropolitan school children the ongoing maintenance, plant replacement and development of these gardens are undertaken.

(e) Paving area for the basketball court at the Watarrka Primary School:

With the assistance of Braemar College the Foundation facilitated and organised for a new basketball hoop and approx. paving area (5m x 7m) at the Watarrka Primary School.

# Watarrka Foundation Limited

## Directors' Report

### For the Year Ended 30 June 2017

(f) Establishment of a Secondary School in the Watarrka region:

The Foundation's long term objective is for the establishment of a secondary school in the Watarrka region. The Foundation continued to work with the NT Government, Traditional Owners and metropolitan secondary schools to secure a site for the school.

(g) Provision of a new classroom for the Watarrka Primary School & launch of the 'Right 2 the Heart' funding campaign.

The Watarrka Primary School principal Christine Munro has approval from the NT Department of Education to teach children up to Year 10. Several of the current primary school students are top age and a new classroom is required for them to continue their education past Year 7. The Foundation is facilitating the building of a new classroom on the Watarrka Primary School site and launched the Right 2 the Heart campaign to raise funds for the construction of this building.

#### Partners & Donors

The Watarrka Foundation acknowledges the support and commitment that the below organisations have provided during the year. Without their support many of our projects would not have been possible.

St George Foundation  
NT Variety Charity  
Remote Tours NT  
Dentons  
Westpac Bank  
Slow Food Hunter Valley  
Alpytype Art Studio, Alice Springs  
Career Trackers, Sydney  
RSM Australia Pty Ltd  
Engraphics Pty Ltd

The Watarrka Foundation acknowledges the support and commitment of the following schools. The schools have visited the Watarrka region during the year, many participated in implementing the community projects undertaken and have raised funds for the Foundation during the year.

Ascham School, Sydney  
Berwick College, Melbourne  
Fintonia Girls, Melbourne  
Mentone Grammar, Melbourne  
SCEGGS Darlinghurst, Sydney

The Watarrka Foundation acknowledges the support and commitment of our many private donors.

#### Operations

The company does not have any paid employees. The Directors of the company and Advisory Group members provide their services on a pro-bono basis. Several of the company's service providers also provide their services on a pro-bono basis. The directors also thank these organisations.

During the course of the year Engraphics Pty Ltd, assumed the responsibility for hosting and maintenance of the Foundation's website and email communications. These services are being provided on pro bono.

All initiatives and projects undertaken by the Foundation are budgeted and the actual expenditures incurred are reported against the budget to the board.

#### Review of Operations

The net surplus of the company for the year ended 30 June 2017 was \$45,141 (2016: \$14,259).

The activities of the company during the year can be found on the company's website [www.watarrkafoundation.org.au](http://www.watarrkafoundation.org.au)

# Watarrka Foundation Limited

## Directors' Report

For the Year Ended 30 June 2017

### Matters Subsequent to the End of the Period

The Directors donated an amount to the company equal to the operational and administrative expenses of the company during the year ended 30 June 2017, being \$4,309 as shown in note 4 to the Financial Statements.

This means that every dollar donated during the year ended 2017 is available to be spent on the charitable activities of the company without any amount need to be applied for administration costs.

There have been no events occurring subsequent to the end of the period which would have a material impact on the financial position of the company as at year end.

This report is made in accordance with a resolution of the directors of the company.



**Paul Jensen**

Director

Sydney, NSW

Dated: 27 February 2018

# Watarrka Foundation Limited

## Statement of Comprehensive Income

For the Year Ended 30 June 2017

		2017	2016
	Note	\$	\$
Revenue	2	<b>126,551</b>	121,592
Cost of Sales: Community Project Expenses		<b>(77,101)</b>	(92,283)
Gross Profit		<b>49,450</b>	29,309
Operational and Administration expenses	4	<b>(4,309)</b>	(15,050)
<b>Net surplus for the year</b>		<b>45,141</b>	14,259

The accompanying notes form part of these financial statements.

# Watarrka Foundation Limited

## Statement of Financial Position

As at 30 June 2017

	Note	2017 \$	2016 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	75,225	39,773
Trade and other receivables		19,472	9,867
<b>Total Current Assets</b>		<b>94,697</b>	<b>49,640</b>
<b>TOTAL ASSETS</b>		<b>94,697</b>	<b>49,640</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	2,630	2,714
<b>Total Current Liabilities</b>		<b>2,630</b>	<b>2,714</b>
<b>TOTAL LIABILITIES</b>		<b>2,630</b>	<b>2,714</b>
<b>NET ASSETS</b>		<b>92,067</b>	<b>46,926</b>
<b>Equity</b>			
Retained earnings		92,067	46,926
<b>TOTAL Equity</b>		<b>92,067</b>	<b>46,926</b>

The accompanying notes form part of these financial statements.

# Watarrka Foundation Limited

## Statement of Cash Flows

For the Year Ended 30 June 2017

		2017	2016
	Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from donors		116,589	113,901
Payments for procurement of goods and services		(81,494)	(107,224)
Interest received		357	125
<b>Net cash provided by operating activities</b>	10	<u>35,452</u>	<u>6,802</u>
<b>Net increase in cash held</b>		35,452	6,802
Cash at beginning of the year		39,773	32,971
<b>Cash and cash equivalents at end of the year</b>	6	<u>75,225</u>	<u>39,773</u>

The accompanying notes form part of these financial statements.

# Watarrka Foundation Limited

## Statement of Changes in Equity

For the Year Ended 30 June 2017

	Retained Earnings	Total
	\$	\$
<b>Balance at 1 July 2015</b>	32,667	32,667
Surplus for the year	14,259	14,259
<b>Balance at 30 June 2016</b>	<u>46,926</u>	<u>46,926</u>
<b>Balance at 1 July 2016</b>	46,926	46,926
Surplus for the year	45,141	45,141
<b>Balance at 30 June 2017</b>	<u>92,067</u>	<u>92,067</u>

The accompanying notes form part of these financial statements.

# Watarrka Foundation Limited

## Notes to the Financial Statements (cont)

For the Year Ended 30 June 2017

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of members.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows:

#### Accounting Policies

**a. Revenue**

Revenue arising from grants and donations is recognised on a cash receipts basis.

All revenue is stated net of GST.

**b. Income Tax**

The Company is exempt from income tax as a charitable entity under subdivision 30-B of The Income Tax Assessment Act 1997 (Cth). This exemption is to be reviewed annually.

**c. Other Creditors**

These amounts represent liabilities for goods and services provided to Watarrka Foundation Limited prior to the end of the period and which are unpaid.

**d. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

**e. Financial Instruments**

**Recognition**

Financial instruments and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

**f. Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgements incorporated into the financial report 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.

There were no estimates incorporated into the financial statements at 30 June 2017.

# Watarrka Foundation Limited

## Notes to the Financial Statements (cont)

For the Year Ended 30 June 2017

### NOTE 2: REVENUE

	2017	2016
	\$	\$
Revenue from Operating Activities:		
— Grants & Donations	113,794	121,467
— Sales	12,400	-
— Other income	357	125
<b>Total Revenue</b>	<b>126,551</b>	<b>121,592</b>

Sales arise from the Foundation charging for people to attend the 2016 Sports and Story Telling Festival.

### NOTE 3: SURPLUS FOR THE YEAR

#### Significant Revenue and Expense

The following significant revenue and expense item is relevant in explaining the financial performance:

Grants and Donations	126,194	121,467
<b>Total Revenue</b>	<b>126,194</b>	<b>121,467</b>
Cost of Sales: Community Project Expenses	(77,101)	(92,283)

### NOTE 4: OPERATIONAL AND ADMINISTRATION EXPENSES

Regulatory, Accounting and CRM software fees	421	382
Marketing and Fundraising expenses	1,668	2,826
Insurance	1,180	-
Website and email expenses	1,040	-
Travel expenses	-	1,549
Other expenses	-	10,293
<b>Total</b>	<b>4,309</b>	<b>15,050</b>

### NOTE 5: Auditor's Remuneration

The audit of the financial statements has been conducted by RSM Australia Pty Ltd.

RSM Australia Pty Ltd have not charged a fee for this service.

RSM Australia Pty Ltd provided no other services during the period.

# Watarrka Foundation Limited

## Notes to the Financial Statements (cont)

For the Year Ended 30 June 2017

	2017	2016
	\$	\$
<b>NOTE 6: CASH AND CASH EQUIVALENTS</b>		
Cash at bank	75,225	39,773
	<u>75,225</u>	<u>39,773</u>

	2017	2016
	\$	\$
<b>NOTE 7: TRADE AND OTHER PAYABLES</b>		
Accounts payable	2,630	2,714
	<u>2,630</u>	<u>2,714</u>

### NOTE 8: SEGMENT REPORTING

The Company operates in one business and geographical segment, being a charitable institution to raise funds for goods and services for the Aboriginal communities in the Northern Territory.

### NOTE 9: DIRECTORS' REMUNERATION

The constitution of Watarrka Foundation Limited does not permit the payment of any fees to a Director for performing that person's duties and responsibilities as a Director. Accordingly, no director of the company received, or was due to receive remuneration directly or indirectly for the year ended 30 June 2017.

### NOTE 10: CASH FLOW INFORMATION

	2017	2016
	\$	\$
<b>Reconciliation of Cash Flow from Operations with Surplus</b>		
Surplus for the year	45,141	14,259
Changes in assets and liabilities:		
(Increase) in trade and other receivables	(9,605)	(7,566)
(Decrease)/Increase in trade and other payables	(84)	109
<b>Net cash provided by operating activities</b>	<u>35,452</u>	<u>6,802</u>

### NOTE 11: EVENTS AFTER THE REPORTING DATE

There have been no events occurring subsequent to the end of the period which would have a material impact on the financial position of the Company as at year end.

### NOTE 12: COMPANY DETAILS

The registered office of the company is 12 Village High Road, Vacluse NSW 2030 and principal place of business of the company is 43 Spicer Crescent, Araluen NT 0870. Its principal activities are to raise funds to purchase and distribute goods and services for the Aboriginal community in the Northern Territory.

# Watarrka Foundation Limited

## Notes to the Financial Statements (cont)

For the Year Ended 30 June 2017

2017	2016
\$	\$

**NOTE 13: RELATED PARTY TRANSACTIONS**

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

Transactions with related parties:

Cost of Sales paid to a Director related entity - Remote Tours

Pty Limited Cost of Sales

<b>24,952</b>	<b>23,743</b>
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# Watarrka Foundation Limited

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 7 to 14, present fairly the company's financial position as at 30 June 2017 and its performance for the period ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



**Paul Jensen**  
Director

Sydney, NSW

Dated: 27 February 2018

RSM Australia Pty Ltd

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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
WATARRKA FOUNDATION LIMITED**

**Qualified Opinion**

We have audited the financial report of Watarrka Foundation Limited, which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report is in accordance with the accounting policies described in Note 1 to the financial statements.

**Basis for Qualified Opinion**

Cash donations are a significant source of fundraising income for Watarrka Foundation Limited. The company has determined that it is not practical to establish control over the collection of cash donations prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from this source was limited, our audit procedures with respect to cash donations had to be restricted to the amounts recorded in the financial records. We therefore are unable to express a conclusion as to whether cash donations of the company recorded are complete.

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 Watarrka Foundation Limited 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.

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

**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 Watarrka Foundation Limited to meet the requirements of the members. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Financial Report**

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the applicable legislation and for such internal control as management 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, management 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 management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are 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.

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/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.



**RSM AUSTRALIA PTY LTD**



**C J Hume**  
Director

Sydney, NSW  
Dated: 27 February 2018