

Watarrka Foundation Limited

Financial Statements

For the Year Ended 30 June 2019

Watarrka Foundation Limited

For the Year Ended 30 June 2019

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Watarrka Foundation Limited

Directors' Report

For the Year Ended 30 June 2019

The directors of the of the Watarrka Foundation Limited ("the Company" or "the Foundation") present the financial statements of the Company for the year ended 30 June 2019.

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
Ms Josie Gardiner (joined 20 November 2018)

Josie is a Sydney based commercial practising lawyer specialising in intellectual property and technology. Josie has a combined Arts and Law degree from UTS and a Masters with Distinction from LSE. She has experience in the NGO sector including working as a teacher for a Peruvian NGO and with UNICEF Australia as and advocacy intern

Advisory Group

The Board of the Foundation 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 in areas such as education, health, aboriginal issues, specific women issues social media, IT, fund raising and project management would assist the Foundation.

The Board therefore established the Advisory Group to :

- provide for the Foundation an expanded leadership group more representative and better able to assist the community which the Foundation seeks to serve;
- provide the Board with 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 Corporations Law

Foundation Advisory Group members:

Manny Bell, Manny is an Aboriginal person from Queensland, is a qualified solicitor and is currently working in Sydney with Dentons and joined the Advisory board during 2018. Manny has been instrumental in the running the annual Sports and Story Telling Festival. Additionally, as a graduate of the Career Trackers program, he has been instrumental in connecting the Foundation to aboriginal graduates in Sydney to broaden awareness of the Foundation's activities, and he has also assisted with fund raising events in Sydney.

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 Melbourne 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.

Watarrka Foundation Limited

Directors' Report

For the Year Ended 30 June 2019

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.

Principal Activities

The principal activity of the Company is to raise funds and deliver programs for the Aboriginal community in the Watarrka region of 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) 2018 Sports and Story Telling Festival: 28,29 & 30 August 2018

This year's festival was attended by children, teachers and elders from the Watarrka Primary School, Areyonga Primary School and the Finke Primary School. The Imanpa Primary School although invited, choose not to attend the Festival.

In total there was 38 children and 37 adults which were involved in and attended this year's Festival. In addition, there were also additional family members of the Watarrka school children who joined the Festival for one day to watch the Watarrka children's school play.

The festival was held on traditional owner land at Lilla. The visiting schools and volunteers were accommodated at the traditional owner (Winmartie Tours) campsite at Lilla. The Winmartie Tours campsite and the Watarrka Primary School grounds are adjacent to each other and the festival activities were held on their grounds.

At the beginning of the Festival, the volunteers and the visiting school children were smoked into Lilla country by the local Traditional Owners and the local Watarrka children through a traditional Welcome to Country ceremony.

Watarrka Foundation Limited

Directors' Report

For the Year Ended 30 June 2019

The Festival activities included:

- Sports sessions such as AFL, Soccer, Baseball, Basketball, Dodgeball, Riding Fat-Bike circuits
- Arts and craft activities
- Targeted boys and girls night-time sessions, i.e. musical session for the girls and board games for the boys
- Cultural sand-drawing sessions
- Drama activities (delivered by Poetry in Action)

The headline event at this year's Festival was the Watarrka School play performance; - 'How the Emu Lost its Wings'. This was the first time a play had been performed at the Festival. This involved a stage-play performed by the Watarrka School children who had worked with Poetry in Action over a number of months in writing, rehearsing and performing the play, '*How the Emu Lost its Wings*'.

The Watarrka Foundation would like to acknowledge and thank the Mutijulu Foundation for its generous financial support (\$35,200) of this year's Sports & Story Telling Festival.

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

In early 2016 the Foundation delivered 22 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.

The Fat Bikes are an encouragement for the children to attend school, increasing student enrolments, and provide significant health benefits for students. The Foundation continues to work closely with the school principal Christine Munro and Chris Hakanson to keep the bikes operational.

(c) Maintenance and development of the Community and Watarrka School fruit and vegetable gardens.

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 was undertaken.

After a 5-year engagement with Slow Food Hunter Valley our formal relationship has come to a natural end. Many strong personal relationships between the local communities and members of the Slow Food's team have been made and the Board is confident the relationship will continue for many years.

The Foundation thanks Slow Food Hunter Valley for their commitment and generous support over the many years and believe they can be very proud of their part in the establishment of strong, working fruit and vegetable gardens at each community, the Watarrka School and importantly their stand for fresh food education in the broader community.

A copy of their 5-year report can be found on the Watarrka Foundation website.

(d) Construction of the new classroom at the Watarrka School

In the early part of the financial year we were pleased to complete the fund raising for this initiative. Construction began in September 2018, with the new classroom completed on time and on budget by 30 November 2018.

On 29 March 2019, many of our donors, partners, suppliers, local traditional owners and school children all meet Lilla to celebrate the opening of the new classroom. The Watarrka Foundation thanks everyone who contributed to this project and especially everyone who travelled to Lilla for the opening ceremony.

The new classroom at the Watarrka School will allow students to continue their education past Year 7.

Partners & Donors

The Foundation acknowledges the support and commitment that the below organisations have provided during the year to 30 June 2019. Without their support many of our projects would not have been possible.

Watarrka Foundation Limited

Directors' Report

For the Year Ended 30 June 2019

Alpitye Art Studio; APS Foundation; Career Trackers; CBA; Central Land Council; Dentons; DLA Piper; Engraphics; HM Franchise Group (The Bulk Source Food); K-Rae Designs; Kings Canyon Resort; Kings Creek Station; Moorabbin Rotary Club; Mutijulu Foundation; NT Dept of Education; NSW Lawski; 10x10 Philanthropy; Poetry In Action; Remote Tours; Restore Hope Australia Foundation; RSM Australia; Slow Food Hunter Valley; and Westpac

The Foundation acknowledges the support and commitment of the schools named below. These schools 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; Berwick College; Braemar College; Canberra Grammar; Cranbrook School; Geelong College; Georgina Molloy Anglican School; Mentone Grammar; Moama Anglican Grammar; St Helena Secondary School; Sylvania High School and Viewbank College;

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

The Foundation would like to acknowledge goodwill and support provided by our building partners in the construction of the new school classroom; Handy R We, Pete Dando and Stella Sutton (construction) and David Hewlett (Electrical).

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.

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

During the course of the year the Foundation engaged the services of Hannah Hellyer (Romper Agency) to assist us with our communication. We thank Hannah for the service provided and her generosity of providing these at a discounted rate.

Review of Operations

The deficit of the company for the year ended 30 June 2019 was \$34,302 (2018: surplus of \$70,243).

The loss was due to the construction expenditure for the new classroom being in the FY19 year, while funds raised for the project were conducted over the FY18 and FY19 years.

The Foundation's total expenditure on community projects for the year ended 30 June 2019 was \$302,558 (2018: \$115,640).

As at 30 June 2019 the Foundation had net assets comprising mainly cash at bank of \$119,468 (2018 \$150,852)

The activities of the Company during the year can be found on the company's website www.watarrkafoundation.org.au

Matters Subsequent to the End of the Period

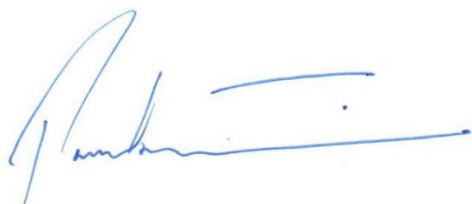
There have been no events occurring subsequent to the end of the period which would have a material impact on the financial position of the Company as at year end.

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

Watarrka Foundation Limited

Directors' Report

For the Year Ended 30 June 2019

A handwritten signature in blue ink, appearing to read 'Paul Jensen', with a long horizontal stroke extending to the right.

Paul Jensen

Director

Sydney, NSW
Dated: 12 November 2019

Watarrka Foundation Limited

Statement of Comprehensive Income

For the Year Ended 30 June 2019

		2019	2018
	Note	\$	\$
Revenue	2	276,399	209,805
Cost of Sales: Community Project Expenses		<u>(302,558)</u>	<u>(115,640)</u>
Gross (Loss)/Profit		(26,159)	94,165
Operational and Administration Expenses	4	<u>(8,143)</u>	<u>(23,922)</u>
Net (Deficit)/Surplus for the year		<u>(34,302)</u>	<u>70,243</u>

The accompanying notes form part of these financial statements.

Watarrka Foundation Limited

Statement of Financial Position

As at 30 June 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	119,468	150,852
Trade and other receivables		29,892	18,471
Total Current Assets		149,360	169,323
TOTAL ASSETS		149,360	169,323
CURRENT LIABILITIES			
Trade and other payables	7	21,352	7,013
Total Current Liabilities		21,352	7,013
TOTAL LIABILITIES		21,352	7,013
NET ASSETS		128,008	162,310
EQUITY			
Retained earnings		128,008	162,310
TOTAL EQUITY		128,008	162,310

The accompanying notes form part of these financial statements.

Watarrka Foundation Limited

Statement of Cash Flows

For the Year Ended 30 June 2019

		2019	2018
	Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from donors		275,848	210,191
Payments for procurement of goods and services		(307,783)	(135,179)
Interest received		551	615
Net cash (used)/provided by operating activities	10	<u>(31,384)</u>	<u>75,627</u>
Net (decrease)/increase in cash held		(31,384)	75,627
Cash at beginning of the year		150,852	75,225
Cash and cash equivalents at end of the year	6	<u>119,468</u>	<u>150,852</u>

The accompanying notes form part of these financial statements.

Watarrka Foundation Limited

Statement of Changes in Equity For the Year Ended 30 June 2019

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2017	92,067	92,067
Surplus for the year	70,243	70,243
Balance at 30 June 2018	<u>162,310</u>	<u>162,310</u>
Balance at 1 July 2018	162,310	162,310
Deficit for the year	(34,302)	(34,302)
Balance at 30 June 2019	<u>128,008</u>	<u>128,008</u>

The accompanying notes form part of these financial statements.

Watarrka Foundation Limited

Notes to the Financial Statements

For the Year Ended 30 June 2019

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.

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 2019.

Watarrka Foundation Limited

Notes to the Financial Statements

For the Year Ended 30 June 2019

NOTE 2: REVENUE

	2019	2018
	\$	\$
Cash revenue from Operating Activities:		
— Grants & Donations	71,157	165,454
— Sales	204,691	43,736
— Other income	551	615
Total Revenue	276,399	209,805

Sales arise from the Foundation charging for people to attend the 2018 Sports and Story Telling Festival.

NOTE 3: SURPLUS FOR THE YEAR

a. Significant Revenue and Expense

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

Grants and Donations	275,848	209,190
Total Revenue	275,848	209,190
Cost of Sales: Community Project Expenses	(302,558)	(115,640)

NOTE 4: OPERATIONAL AND ADMINISTRATION EXPENSES

Regulatory, Accounting and Marketing fees	7,053	1,263
Insurance	1,090	1,050
Direct Fundraising expenses	-	11,359
Donations	-	10,250
Total	8,143	23,922

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.

NOTE 6: CASH AND CASH EQUIVALENTS

Cash at bank	119,468	150,852
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NOTE 7: TRADE AND OTHER PAYABLES

Trade and other payable	21,352	7,013
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Watarrka Foundation Limited

Notes to the Financial Statements

For the Year Ended 30 June 2019

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 2019.

NOTE 10: CASH FLOW INFORMATION

	2019	2018
	\$	\$
Reconciliation of Cash Flow from Operations with Surplus		
(Deficit)/Surplus for the year	(34,302)	70,243
Changes in assets and liabilities:		
(Increase)/Decrease in trade and other receivables	(11,421)	1,001
(Decrease)/Increase in trade and other payables	14,339	4,383
Net cash provided by operating activities	(31,384)	75,627

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.

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	39,492	23,472
	39,492	23,472

Watarrka Foundation Limited

Directors' Declaration

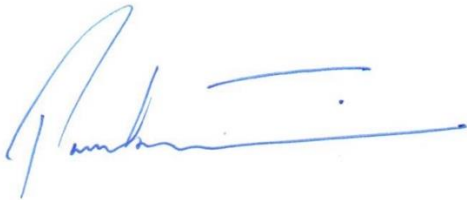
For the Year Ended 30 June 2019

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 2019 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: 12 November 2019

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 2019, 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 2019, 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. This description forms part of our auditor's report.


RSM AUSTRALIA PTY LTD

C J Hume
Director

Sydney, NSW
Dated: 13 November 2019