

WATARRKA FOUNDATION LIMITED

ABN 96 159 963 943

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

WATARRKA FOUNDATION LIMITED
ABN 96 159 963 943

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**WATARRKA FOUNDATION LIMITED
ABN 96 159 963 943**

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

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 2020.

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
Mr Manny Bell (joined 12 August 2020)

Manny is an Aboriginal person from Queensland, is a qualified solicitor and is working in Brisbane with The Commonwealth Bank of Australia. Manny has served on our Advisory board since 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 broadening the awareness of the Foundation's activities. Manny has assisted with many of the Foundation's fund-raising events since its inception.

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.

In 2018 the Board 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

The current 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 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.

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 School and was instrumental in establishing the 'Feed the Community COVID' program this year.

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 likeminded organisations.

Major initiatives and projects undertaken during the year

(a) 2019 Sports and Story Telling Festival: 31 July & 1,2 August 2019

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 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 Tour 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.

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 and Drama activities (delivered by Poetry in Action).

(b) Maintenance and provision of 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 many of the visiting metropolitan school children the ongoing maintenance, plant replacement and development of these gardens was undertaken.

(d) Utjil Areyonga School gardens

With the assistance of Andrew Dempster (Slow Foods Hunter Valley) a vegetable garden was established at the Utjil Areyonga school.

(e) Watarrka School Basketball court

The basketball hoops at the Watarrka School were aligned and paving of the full court was undertaken during the year. The children love their basketball and area provides the school with a hard surface for other school activities.

(f) Watarrka School Air Conditioning Unit

Air conditioning was installed in the new classroom.

(g) Watarrka School Laptops

With the assistance of the Moorabbin Rotary Club, new laptop computers were provided to the Watarrka School.

(h) Feed the Community – COVID

The Watarrka Foundation took significant steps to stop the spread of the COVID virus in the local community. Chris Hakanson (Watarrka Primary Health Care Manager) approached the Foundation to support the 'Feed the Watarrka Community Program' until the COVID 19 threat eased. The program supported approximately 60 adults and children from the Wanmarra, Lilla and Ulpanyali communities. The Wanmarra community was supplied with bulk food supplies including flour, sugar and tea, whilst Lilla and Ulpanyali were being provided with three meals per day.

This program was a necessary measure as our locals drive into Alice Springs to buy food on a weekly basis. Having access to a regular supply of food, assisted in keeping locals safe as it reduced the risk of locals unknowingly bringing the virus back from town.

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.

Alpitye Art Studio; Ashurst; Career Trackers; CBA; Central Land Council; Dentons; Engraphics; HM Franchise Group (The Bulk Source Food); Kings Canyon Resort; Kings Creek Station; Moorabbin Rotary Club; Poetry In Action; Remote Tours; 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; Mansfield Steiner 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.

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.

The Foundation engages 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 2020 was \$20,674 (2019: deficit of \$34,302).

The operating loss was primarily due to the unbudgeted Feed the Community COVID program.

The Foundation's total expenditure on community projects for the year ended 30 June 2020 was \$119,900 (2019: \$302,588).

As at 30 June 2020 the Foundation had net assets comprising mainly cash at bank of \$93,478 (2019 \$119,468) The activities of the Company during the year can be found on the company's website.

www.watarrkafoundtaion.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.



Paul Jensen

Director

Sydney, NSW

Dated: 21 March 2021

WATARRKA FOUNDATION LIMITED
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Income			
Revenue	2	110,289	276,399
Less Cost of goods sold			
Direct expenses	3	119,900	302,558
Gross (Loss)/profit		<u>(9,611)</u>	<u>(26,159)</u>
Less Expenses			
Operational and Administration Expenses	4	11,063	8,143
Net (Deficit)/Surplus for the year		<u>(20,674)</u>	<u>(34,302)</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Current assets			
Cash and cash equivalents	6	93,478	119,468
Other Current Assets	7	13,856	29,892
Total current assets		<u>107,334</u>	<u>149,360</u>
Total assets		<u>107,334</u>	<u>149,360</u>
Current liabilities			
Trade and other payables		-	21,352
Total current liabilities		<u>-</u>	<u>21,352</u>
Non-current liabilities			
Other non-current liabilities		-	-
Total non-current liabilities		<u>-</u>	<u>-</u>
Total liabilities		<u>-</u>	<u>21,352</u>
Net assets		<u>107,334</u>	<u>128,008</u>
Equity			
Retained earnings		107,334	128,008
Total equity		<u>107,334</u>	<u>128,008</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
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>
Balance at 1 July 2019	128,008	128,008
Deficit for the year	(20,674)	(20,674)
Balance at 30 June 2020	<u>107,334</u>	<u>107,334</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from donors		110,217	275,848
Payments from procurement of goods and services		(136,279)	(307,783)
Interest received		72	551
Net cash (used)/provided by operating activities		(25,990)	(31,384)
Net (decrease)/increase in cash held		(25,990)	(31,384)
Cash at the beginning of the year		119,468	150,852
Cash and cash equivalents at end of the year		93,478	119,468

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: 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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

	2020	2019
	\$	\$
NOTE 2: REVENUE AND OTHER INCOME		
Cash revenue from Operating Activities		
Grants & Donations	53,651	71,157
Sales	56,566	204,691
Other Income	72	551
	110,289	276,399
	110,289	276,399

NOTE 3: OPERATIONAL AND ADMINISTRATION EXPENSES

Areyonga School Gardens	4,000	-
Watarrka School Basketball court paving	20,300	-
Watarrka School Fat Bike Maintenance	1,818	-
Feed the Community, COVID	37,278	-
Watarrka School air conditioner	12,957	-
Watarrka School Laptops	5,000	-
Watarrka School Melbourne trip	2,000	-
Annual Sports & Story Telling Festival	33,905	302,558
Other	2,642	-
	119,900	302,558
	119,900	302,558

NOTE 4: OPERATIONAL AND ADMINISTRATION EXPENSES

Regulatory, Accounting and Marketing fees	7,969	7,053
Insurance	1,424	1,090
Travel	1,476	-
Other	194	-
	11,063	8,143
	11,063	8,143

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
NOTE 6: CASH AND CASH EQUIVALENTS	\$	\$
Cash at bank	93,478	119,468
	93,478	119,468
	93,478	119,468

NOTE 7: OTHER CURRENT ASSETS

GST refundable	13,856	29,892
	13,856	29,892
	13,856	29,892

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 2020.

NOTE 10: 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 11: 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 12: 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:

	2020	2019
	\$	\$
Cost of Sales paid to a Director related entity - Remote Tours Pty Limited	62,693	39,492
	62,693	39,492
	62,693	39,492

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DIRECTORS' DECLARATION

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 6 to 12 comply with the *Corporations Act 2001 and*:
 - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - (b) give a true and fair view of the financial position as at 31 June 2020 and of the performance for the financial year ended on that date.
- 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: 21 March 2021